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Japan

Talks With DPRK Negotiators Continue

Division Over Compensation

OW1103145191 Tokyo KYODO in English 1439 GMT 11 Mar 91

[Text] Tokyo, March 11 KYODO—Japanese and North Korean negotiators remained divided Monday over Japanese compensation for the "irregular" history of their relations and Pyongyang's refusal to allow international inspection of its nuclear facilities, Japanese officials said.

On the first day of the two countries' second round of normalization talks, chief North Korean delegate Chon In-chol repeated Pyongyang's insistence that Japan should pay compensation for both its 1910-1945 colonial rule of the Korean peninsula and for the two countries' chilly postwar relations.

Chon, North Korea's vice foreign minister, said compensation would give substance to Japan's apologies for the "unfortunate past."

During the two-and-a-half-hour afternoon session, he argued that the two nations were technically at war during both the colonial period, when Korean resistance guerrillas fought the Japanese occupying forces, and during the postwar period, when he charged that Japan backed the U.S. "invasion" of North Korea during the Korean war.

As for the colonial period, Japan has consistently denied the existence of a "state of war"—which could give North Korea grounds for claiming war reparations—and insisted that Tokyo is responsible only for property losses during the period.

Japan's chief negotiator Noboru Nakahira argued that the resistance movement, which he said was led by the Chinese Communist Party and was not an independent action, was not a war, defined under international law as an event between independent nations.

Korea lost its independence when it was annexed by Japan in 1910.

As far as the postwar period, Japan insists there is no reason why it should have to pay compensation. Nakahira noted that the U.S.-led war against the North was carried out under U.N. resolutions to deter North Korean aggression.

It was the severe international environment during the Cold War and North Korea's own policies, not Japan, that were responsible for the postwar vacuum in bilateral ties, he was quoted as telling Chon.

Japan established ties with South Korea in 1965, providing 500 million dollars in economic assistance as compensation for its colonial rule, but has never had diplomatic relations with the North.

Nakahira reiterated that the government will not be bound by last September's joint statement by Pyongyang's ruling Korea Workers Party, and Japan's ruling Liberal Democratic Party and No. 1 opposition Social Democratic Party calling on Japan to compensate North Korea for postwar "losses." Pyongyang claims that Japan's "hostility" left the North diplomatically isolated.

Chon stuck to his position that the statement is binding.

The North Korean mission chief, brushing aside Japan's request that Pyongyang allow international inspection of its nuclear facilities, reiterated that his country has "neither the intention nor the capacity to produce nuclear weapons."

Chon asked, "why there is suspicion of a nation that has not produced such weapons and no suspicion of the South, equipped with 1,000 nuclear weapons?"

The North accuses the United States, which has some 43,000 soldiers permanently stationed in South Korea, of maintaining nuclear arms on its bases there.

Chon, calling U.S. nuclear weapons a threat to the North, said a U.S. pledge not to launch a nuclear attack on his country is needed before Pyongyang can accept inspection by the International Atomic Energy Agency (IAEA).

Japan insists that North Korea allow the inspections, as it is required to do as a signatory to the nuclear nonproliferation treaty, to erase any suspicion that it is producing nuclear arms, and argues that this treaty obligation has nothing to do with the United States.

Nakahira also urged the resumption of inter-Korean dialogue. North Korea canceled a North-South prime ministers' meeting set for late February because of the U.S.-South Korean joint annual "Team Spirit" military exercise.

In Monday's two-hour morning session, the two sides sparred over whether the 1910 annexation treaty was legal.

The North Koreans argued that the pact was imposed on the Korean emperor under the threat of military force, while the Japanese argued that it was valid and internationally accepted at the time.

Nakahira also sought a North Korean acknowledgement that the Pyongyang Government rules only the northern half of the peninsula, but Chon replied only that there is no need to define the sovereignty of both sides.

Earlier Monday morning, Chon met Japanese Foreign Minister Taro Nakayama and was asked to allow the Japanese women who moved to North Korea with their Korean husbands in the 1960s to write and visit their families in Japan.

Chon said he understands the Japanese position and promised to convey Nakayama's message to Pyongyang.

The plight of these Japanese women will be one of the topics to be taken up Tuesday, the second and last day of the current round of talks.

The 11-member North Korean delegation is due to leave Japan Thursday, two days earlier than originally planned, due to a change in Chon's schedule.

Fingerprinting, Legal Status Viewed

OW1203071791 Tokyo KYODO in English 0643 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—North Korean negotiators at normalization talks on Tuesday welcomed Japan's offer to improve the legal status of and abolish compulsory fingerprinting of pro- Pyongyang Korean residents of Japan, Japanese officials said.

North Korea's chief delegate Chon In-chol said he evaluated the Japanese stance as "making progress," the officials said.

Chon's remark came after Japan's chief negotiator Noboru Nakahira explained a planned special law on immigration control of Koreans and other residents, who had been taken to Japan for forced labor or came to Japan by themselves before the end of World War II, and their descendants.

In the second day of the two-day talks aimed at establishing diplomatic ties, Nakahira also told the North Korean side that Japan is considering abolishing the fingerprinting requirement and replacing it with a new system for permanent foreign residents, mainly from Japan's past colonies—Korea and Taiwan.

On Japan's request to allow correspondence and visits to families by an estimated 1,600-1,800 Japanese women who accompanied their Korean husbands when they were repatriated to North Korea in the 1960s, Chon said that if the ongoing negotiations go smoothly, the request for visits to Japan might be met on a "case by case basis" even before the establishment of diplomatic relations.

Nakahira cited moves among Japanese civilians as well as lawmakers who formed a group to push for the realization of home visits of the Japanese spouses in North Korea, the officials said.

The Japanese negotiators also demanded the extradition of seven Japanese Red Army members who hijacked a domestic airliner to North Korea in 1970 and have been there ever since.

Chon said the issue has nothing to do with the current talks. He said North Korea never invited the hijackers but rather accepted them from a "humanitarian" viewpoint.

Chon, in return, cited the existence in Japan of a former North Korean soldier who stowed away in a Japanese cargo ship and came to Japan in 1983.

Nakahira replied there can be no comparison between the stowaway and hijacking, which he termed as extremely villainous and inhuman, and said that giving refuge to the hijackers would lower the international image of North Korea.

On the accumulated debts of North Korea to Japanese private sector companies, which are estimated at 80 billion yen, Nakahira urged repayment as soon as possible.

At the most recent talks on the private debt issue in early February, the Pyongyang side requested freezing the debt for 10 years with repayment to then start over 15 years, Japanese officials said.

Nakahira criticized this as being too slow a move, and demanded that North Korea take a more sincere approach on the debt issue. Chon promised that the North Korean Government will cooperate in a solution at the next round of talks on the debt.

Nakahira reiterated a denial of a North Korean charge during the first round talks in January in Pyongyang, that Tokyo was cracking down on Chongryun, the general association of Korean residents in Japan, a pro-Pyongyang organization. But he added that a careful watch is being kept on the activities of the group.

The two sides are expected to agree during a brief session Tuesday afternoon to hold the third round of normalization talks in May in Beijing.

The North Korean delegation is to leave for home Thursday.

Talks on Diplomatic Ties Resume

OW1203035091 Tokyo KYODO in English 0322 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—Japanese and North Korean negotiators on Tuesday resumed talks aimed at establishing diplomatic ties.

The second-day discussions focused mainly on home visits by Japanese wives in North Korea and improvement of the legal status of Korean residents in Japan, officials said.

Both sides also took up the issue of repayment of North Korea's liabilities to Japan, estimated at 80 billion yen, the officials said.

On Monday, Japan and North Korea failed to agree on Pyongyang's demand that Japan should pay compensation for both its 1910-1945 colonial rule of the Korean Peninsula and for losses inflicted upon the Korean people in the 45 years since the end of World War II.

Trading Company Agrees To Launch DPRK Venture

OW1203093591 Tokyo KYODO in English 0854 GMT 12 Mar 91

[Text] Osaka, March 12 KYODO—A Japanese trading company said Tuesday it has agreed to launch a joint venture with North Korea to produce graphite at its largest graphite mine.

Kyowa Shoji Co., based in Nagano Prefecture, said the joint firm, called Jisong Graphite Joint Venture after the name of the Korean partner, will start operations at the mine around August, with annual production targeted at 50,000 tons.

The mine, called Fungsan Mine, is located near the border between North and South Korea.

About 10,000 tons of graphite will be sold to North Korean steelmakers and the remainder will be exported to European countries, including Germany, to help ease North Korea's foreign exchange shortage, the company said.

The total investment in the project is estimated at about 1 billion yen, of which Kyowa Shoji said it will put up 300,000 million yen.

North Korean President Kim Il-song will attend the opening ceremony on April 15, which is his birthday.

Fungsan Mine, which was developed in 1980 and started operations in 1989 as a state-run mine, has deposits estimated at about 90 million tons.

Graphite produced at the mine will be used for electrodes by North Korean electric power companies, enabling the country to reduce its power consumption by 30 to 40 percent, according to Kyowa Shoji.

The North Korean Government approached Kyowa Shoji to provide technological cooperation for the mine as the company's president is a North Korean resident in Japan.

Soviet Foreign Minister To Visit 29-30 Mar

OW1203023191 Tokyo KYODO in English 0152 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—Soviet Foreign Minister Aleksandr Bessmertnykh will visit Japan March 29-30 to lay the groundwork for an upcoming visit to Tokyo by Soviet President Mikhail Gorbachev, Foreign Minister Taro Nakayama said Tuesday.

It will be the second foreign ministerial session between Nakayama and Bessmertnykh in two months, following the one in Moscow in late January.

Gorbachev is scheduled to visit Japan April 16-19, and will be the first top Kremlin leader ever to come to Tokyo.

Soviets Open High Technology Seminar in Tokyo

OW1203062291 Tokyo KYODO in English 0507 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—The Soviet Union opened a high technology seminar in Tokyo on Tuesday aimed at combining Soviet technologies with Japan's product development know-how.

The three-day fair at the World Import Mart in Ikebukuro opens a series of events marking the visit to Japan by Soviet President Mikhail Gorbachev in mid-April.

Moscow hopes that as many technology cooperation contracts as possible will be concluded between the Soviet Union and Japan ahead of Gorbachev's trip to Tokyo, Soviet Deputy Prime Minister Nikolay Laverov told an audience of about 200 people at the opening ceremony.

Soviet engineers briefed attendants on 50 items from the displayed fields of mechanical engineering, electronics, new materials, biotechnology, and chemicals.

Attention was focused on Soviet military technologies which will be converted for commercial use, such as laser reflection systems, artificial diamonds, and thin film coating technology, which Soviet engineers said is capable of extending the life cycle of hard disk drives.

Envoy Chosen for Cambodian Talks in Beijing

OW1203025891 Tokyo KYODO in English 0204 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—A Japanese envoy will attend a meeting of representatives from Cambodia's three resistance factions opening in Beijing on Tuesday, officials said.

Tadashi Ikeda, minister at the Japanese Embassy in Bangkok, will represent Japan at the meeting, the officials said.

The tripartite anti-Vietnamese coalition comprises the communist Khmer Rouge and the noncommunist factions of Prince Norodom Sihanouk and former Prime Minister Son Sann's Khmer People's National Liberation Front.

Envoy to Kuwait Leaves Riyadh To Return to Post

OW1203121891 Tokyo KYODO in English 1152 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—Japanese Ambassador to Kuwait Tsuyoshi Kurokawa left Riyadh, Saudi Arabia, Tuesday and will enter the recently liberated country overland on Wednesday, a Foreign Ministry spokesman said.

Kurokawa will return to Riyadh after staying in Kuwait for two or three days to prepare for a resumption of embassy business. He will travel back to Kuwait again late next week, spokesman Taizo Watanabe said.

Watanabe said it is not yet certain when the embassy will begin business because it is necessary to remove any dangerous materials, to clean it, and to install new equipment.

Government Lifts Sanctions Against Kuwait

OW1203103591 Tokyo KYODO in English 1023 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—The government on Tuesday lifted economic sanctions imposed against occupied Kuwait after Iraq's invasion of the country last August 2.

The decision came about a week after similar steps taken by the United States and the European Community.

The sanctions included a ban on trade with Iraqi-occupied Kuwait, suspension of capital transactions and investments, and a freeze on economic assistance.

The government lifted the restrictions more than 10 days after recommendations by the Ministry of International Trade and Industry and the Finance Ministry.

The delay was due to the failure of the Foreign Ministry to come up with a clear interpretation of a United Nations Security Council resolution under which Japan imposed the sanctions.

The U.N. resolution remains in force and debates in the Security Council are expected to be stalled over the handling of measures against Iraq, government sources said.

With the lifting of the sanctions, Japanese enterprises will be allowed to engage in unrestricted trade and capital transactions with Kuwait.

SDP Diet Member Dies; Party Strength Decreases

OW0803182591 Tokyo KYODO in English 1455 GMT 8 Mar 91

[Text] Tokyo, March 8 KYODO—Social Democratic Party [SDP] Diet member Isao Hayami died of lung cancer Friday, the largest opposition party said. He was 62.

Hayami was in his first term in the lower house, having won election in 1990 from Nagasaki Prefecture.

Hayami's death cut the SDP's strength in the House of Representatives to 139, compared with 280 for the ruling Liberal Democratic Party, 46 for Komeito, 16 for the Japanese Communist Party, 14 for the Democratic Socialist Party, 5 for Shimpo Minshu Rengo, six independents and six vacancies.

Tokyo Gubernatorial Election Set for Apr

Candidate Proposes Diet Relocation

OW1103133091 Tokyo KYODO in English 1307 GMT 11 Mar 91

[Text] Tokyo, March 11 KYODO—Makiko Hamada, a candidate in the Tokyo gubernatorial election next month, Monday proposed moving the Imperial Palace to the ancient capital of Kyoto in western Japan and the Diet building to the vacated plot.

The proposal was included in a seven-point campaign program announced to reporters in a Tokyo hotel following her return from study in the United States.

The six other proposals included a review of metropolitan taxes and the Tokyo Metropolitan Government's expenditures, and the construction of a new international airport in Tokyo Bay near Haneda Airport.

Reconfirming her candidacy in the election in April, Hamada said it is unnatural that no woman has been picked as a governor in Japan, and it is only women who can run the metropolitan government cleanly and effectively.

Hamada, wife of a ruling Liberal Democratic Party legislator, was defeated in the general election last year. She recently returned from Harvard University where she was a research fellow.

Candidate Promises Tax Cut

OW1203093691 Tokyo KYODO in English 0841 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—Tokyo gubernatorial election candidate Hisanori Isomura said Tuesday Tokyo's healthy finances should be used to improve the lives of its citizens rather than to build huge monuments such as the city's new administrative headquarters.

Isomura, a former Japan Broadcasting Corp. (NHK) anchorman, told a press conference he is aware incumbent Gov. Shunichi Suzuki claims the new administrative complex in Tokyo's Shinjuku District was built mostly from lottery funds.

"I'm aware Suzuki saved Tokyo a lot of money compared with the previous administration," Isomura said.

"Suzuki says he wanted to put up a monument for the 21st century, but I think he got his priorities wrong.

"I would have preferred if he had taken the lottery money and used it to make Tokyo a better city to live in," he said.

Isomura said if elected he would cut residents' taxes by 1 trillion yen in his first four-year term in office.

Isomura, who has the backing of the ruling Liberal Democratic Party as well as the opposition Democratic Socialist Party and Komeito, said he will call for a revision of plans to develop the Tokyo bayside area if elected.

He said plans for the area, proposed by the Suzuki administration, would allow for the construction of 36 skyscrapers, each of the same size as the Kasumigaseki building in central Tokyo.

He said the announcement of the completion date for the project had been made in advance of the submission of environmental assessment reports on the area.

"This plan smells of politics," he said.

"Why is it that they are proposing to have an international exposition in this area in the year 1994?

"The journalist in me tells me there is something going on here and if you look at the date you see it is the year Suzuki would end his fourth term in office if he is elected."

Isomura called for more space in the current plan to be devoted to trees and open space, and at least half the people in the new development should be residents.

Isomura said one of Tokyo's most pressing problems is the shortage of land and the high cost of housing. He said if elected, he wants to implement a construction program to provide Tokyo with 500,000 new apartments within 10 years.

He said this could be achieved by rationalizing the use of land already owned by the Tokyo Government or introducing building regulations encouraging new projects to include a set percentage of dwelling space together with shop and office space.

Isomura said he wants to make Tokyo an easier place for foreigners to live in.

"Of all the world's major cities, there is not one which is as difficult as Tokyo to live in," Isomura said.

He said Tokyo has an estimated 300,000 foreign residents who in some areas are beginning to show signs of concentrating in ethnic "ghettos."

He said that to prevent large "ghetto-like" concentrations of single ethnic groups which might make Tokyo residents uneasy, he wants Tokyo to have its own multilingual FM radio station supplying information to foreign residents in their own languages.

Isomura said he was surprised to hear of the withdrawal of opponent Antonio Inoki from the gubernatorial election race.

Inoki, the Sports Peace Party candidate and a professional wrestler, announced his withdrawal Tuesday. He is a member of the House of Councillors.

Isomura said he is aware of media speculation that Inoki held a grudge against him because of critical remarks Isomura once made on television regarding Inoki's performance against U.S. boxer Muhammad Ali.

"I do not recall the incident, but I want to say that it has been a cause of some upset to me," Isomura said.

"I'm a big fan of pro wrestling.

"What's more, I know that Inoki had many supporters among the younger voters, so I want to ask them to give their votes to me."

Candidates Hold News Conference

OW1203122191 Tokyo KYODO in English 1210 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—The three main candidates in April's gubernatorial election in Tokyo appeared to agree Tuesday that Tokyo faces major problems caused by growing amounts of garbage, a lack of green areas and the rapid aging of its population.

But at separate press conferences at the Japan National Press Club in Tokyo, the three aspirants showed obvious differences in the style and manner of achieving a solution to these problems.

Incumbent Gov. Shunichi Suzuki said he would stand on his three- term, 12-year record.

Suzuki listed some of his achievements, including bringing Tokyo back from the brink of bankruptcy within his first term, providing more escalators in subway stations, spanning the Tama River with six bridges and increasing the proportion of green areas per resident from 2.5 hectares to 4.5 hectares.

"In 1979, when I became governor, a survey into the level of residents' satisfaction with Tokyo showed 67.9 percent were satisfied," Suzuki said.

"The latest survey shows an increase on that to 77 percent. I think that speaks for itself."

Suzuki said he wants to initiate a program for the construction of 350,000 new apartments in Tokyo to alleviate the present high cost of housing.

Suzuki countered criticism that the new administrative headquarters for Tokyo in Shinjuku, now Japan's tallest structure and incorporating a marble-lined bath in the governor's suite, as a "tax tower."

"Not a yen of residents' taxes was used in the building," Suzuki said.

"We used money from selling off parcels of unusable land held by the city and money from lotteries.

"It is a symbol of both the city and its culture. It was built in the spirit of serving the people and by moving the headquarters away from Marunouchi to Shinjuku, it reflects the movement of the demographic center of Tokyo toward Nakano and the west."

Asked to comment on a report that one of his opponents, Sports Peace Party candidate Antonio Inoki announced Tuesday that he would withdraw from the gubernatorial race. Suzuki quipped that he was "saddened" to hear one of a field of "such talented candidates" had dropped out.

Inoki, a pro wrestler, said he will devote himself to national politics instead of running for the Tokyo governorship.

Suzuki has the support of the Tokyo chapters of the Liberal Democratic Party (LDP) and the Democratic Socialist Party (DSP).

Both parties at a national level, plus Komeito, are backing a different candidate, former Japan Broadcasting Corp. (NHK) anchorman Hisanori Isomura.

Isomura criticized Suzuki for building a new administrative headquarters complete with a marble bath, saying he got his priorities wrong.

"The governor's office is two or three times the size of the prime minister's office," Isomura said.

"The place is complete with a marble shower room and art gallery. And all that for just one person. I would have preferred if he had taken the lottery money and used it to make Tokyo a better city to live in," he said.

Isomura said he is aware of media speculation that Inoki held a grudge against him because of critical remarks Isomura once made on television regarding Inoki's performance against U.S. boxer Muhammad Ali.

"I do not recall the incident, but I want to say that it has been a cause of some upset to me," Isomura said.

"I'm a big fan of pro wrestling.

"What's more, I know that Mr. Inoki had many supporters among the younger voters, so I want to ask them to give their votes to me."

Mitsunori Ohara, the Social Democratic Party candidate, criticized the current administration for its emphasis on spending on big projects.

Ohara, a Chuo University professor who has spent time researching local and city politics in Germany, said Tokyo should be modeled on German cities which allow for plazas and large areas of green in their midst.

"I would like to see a city like the ones in Europe. Not just a place where people make money," he said.

He said the government of Tokyo should be more responsible to the wishes of residents.

"Perestroyka is not just for the Russians," he said. "In a sense, we need it in Japan too."

Ohara called for a construction program which would give Tokyo 750,000 new apartments within the next 10 years.

Tokyo's voters go to the polls April 7.

Minister Expresses Concern Over Yen's Weakness

OW1203025991 Tokyo KYODO in English 0142 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—Finance Minister Ryutaro Hashimoto on Tuesday expressed concern over the recent weakness of the yen against the U.S. dollar, saying that he was watching the yen-dollar rate with "caution."

At a regular press conference he also said that flexible action by the Group of Seven (G-7) nations is "likely," thus hinting at market interventions by major nations to stem an excessive rise in the value of the dollar against the yen.

Asked whether market interventions are already being conducted, Hashimoto said he did not know.

Bankers Agree To Stabilize Dollar Exchange Rate

OW1203113991 Tokyo KYODO in English 1115 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—Central bankers have apparently agreed to stabilize the U.S. dollar's exchange value at the 130 yen level against the Japanese currency, dealers here said Tuesday.

The dollar closed Tokyo trading at 136.05 yen, down 2.02 yen from Monday's finish of 138.07 yen.

The Bank of Japan (BOJ) stepped into the Tokyo market to curb the dollar's advance at around 138 yen with a relatively modest selling operation through several currency brokers, the dealers said.

It was the first intervention in the Tokyo market by Japan's central bank since April last year, they said.

The BOJ also conducted dollar-selling intervention in London on Monday through the British central bank, the Bank of England.

A dealer at a long-term credit bank said the BOJ, which only unloaded a few hundred million dollars, was not seeking to set a ceiling but merely to slow the U.S. currency's surge.

Cooperation among major central banks has been stronger than anticipated, and the BOJ's intervention following Finance Minister Ryutaro Hashimoto's criticism of the dollar's rise should not be dismissed, a trader at a major commercial bank said.

The yen's low water mark against the dollar will be at around 140 yen for the time being, he added.

A trader at another commercial bank predicted that the central bank will continue to intervene in the market to protect the yen's value.

He said the Japanese central bank wants to bring the yen up to around 130 yen, which is considered to be a more desirable rate in the event Japan's official discount rate is cut. The key interest rate is now 6.0 percent.

MITI Minister Seeks Official Discount Rate Cut

OW1203062191 Tokyo KYODO in English 0509 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—International Trade and Industry Minister [MITI] Eiichi Nakao suggested Tuesday he will have talks with the governor of the Bank of Japan (BOJ) and cabinet leaders seeking a cut in the official discount rate to improve the economy.

Nakao said at a press conference after a regular cabinet meeting, "As a head of the supervisory office of Japan's industries, I feel the time has come to discuss Japan's economy with BOJ Governor Yasushi Mieno, Finance Minister Ryutaro Hashimoto, and other key cabinet members."

"The MITI is listening to all kinds of voices in Japanese industries, including small and medium-sized steel and automobile companies," Nakao said.

"I am responsible for conveying their requests to cut the key rate to other cabinet members," the MITI head said.

The central bank raised its base rate five times since May 1989 to 6.0 per annum.

Nakao did not mention when he will have the talks with Mieno and cabinet colleagues.

Slower Growth in Durable Consumer Spending Seen

OW1103093191 Tokyo KYODO in English 0848 GMT 11 Mar 91

[Text] Tokyo, March 11 KYODO—Durable consumer spending is likely to cease to play a role in leading expansion of the Japanese economy, which posted an average 5 percent annual growth in the past four years, Mitsubishi Bank said in a report on Monday.

An economist at Mitsubishi Bank noted in the report that the Bank of Japan would have to ease its current tight grip on credit if the country's consumer spending slows down, as Japanese firms plan to scale down their capital spending, another leader of the economic expansion, in fiscal 1991, beginning April 1.

Spending on durable consumer goods like home electrical appliances and automobiles, which account for one-fifth of the total consumption, expanded at an average 12 percent in the past five years, according to calculations by the major commercial bank.

"Along with capital spending, durable consumer spending is expected to slow down due mainly to rises in wholesale prices in fiscal 1991, " the economist said.

He said there is a high possibility that the number of women workers, who had been supporting a boom of durable consumer spending, could shrink as a result of forecast sluggish business.

Bank Official Remarks on U.S. Monetary Policy

OW0803183291 Tokyo KYODO in English 1452 GMT 8 Mar 91

[Text] Tokyo, March 8 KYODO—A Bank of Japan [BOJ] official said Friday that U.S. monetary authorities are not likely to change policy despite worsened unemployment figures for February.

Japan's monetary policy need not necessarily be changed, even if the United States were to ease its interest rates, the official added.

The U.S. Government reported in Washington earlier that the country's civilian unemployment rate was an adjusted 6.5 percent in February, up 0.3 percentage point from January's 6.2 percent.

The figure is the highest since March 1987, when the rate was 6.6 percent.

Earlier predictions by American economists had put the jobless rate at an average 6.4.

The Japanese central bank official said that the increase in the unemployment rate was "within the expected range."

An easing of U.S. monetary policy wasn't likely, he said, explaining that he believes the U.S. Federal Reserve Board is now focusing on the rate of economic recovery in March, following the end of Persian Gulf war.

He predicted that even if the U.S. does ease its monetary policy, there is little possibility that the dollar would plunge against the yen.

"The attitude of Japan's monetary authority is not likely to change for the time being," he added.

Labor, Management Begin Wage Negotiations

OW1003045991 Tokyo KYODO in English 0436 GMT 10 Mar 91

[Text] Tokyo, March 10 KYODO—Workers and management at companies around Japan have started full-scale annual negotiations on wage hikes and working hours among uncertainty over the economic outlook following the end of the Persian Gulf war.

The country's largest trade union confederation, Rengo, is demanding wage increases of 8-9 percent, compared to the average 5.94 percent won in last year's so-called spring labor offensive.

But the Japan Federation of Employers Associations (Nikkeiren), representing major companies, has said it is prepared to offer an increase of only around 2.5 percent, far short of the 4.5 percent annualized inflation rate recorded in January.

While workers see this increase in consumer prices as a good reason for higher wages, Takuji Yamahara, manager of Nikkeiren's labor policy division, views it as a warning sign of heated inflation.

He said Japan could suffer an economic slump unless wage hikes are held below the country's economic growth rate, which he said is currently 3.8 percent.

But Seigo Yamada, general secretary of Rengo, flatly rejected Yamahara's argument, saying higher wages would give workers increased purchasing power, helping to sustain moderate economic growth.

The Gulf war ended quickly and without serious effects on oil prices and supplies, so higher wages would not hurt the Japanese economy, the union leader said.

On working hours, another key issue, labor and management agree that the average employee spends too long on the job—an average 2,052 hours a year by Labor Ministry figures, some 200 to 400 hours longer than in the United States and West European countries.

But the two sides differ on whether hours can be cut at the same time wages are increased.

Nikkeiren President Eiji Suzuki, not surprisingly, is not eager to pay workers higher wages for shorter hours. "Management and unions must seek ways of trimming working hours and we should not chase two rabbits at the same time," he said.

Yamada, however, said Japanese workers need both shorter hours and higher wages to catch up with the more affluent life-styles enjoyed by their American and West European counterparts.

While Japanese wages are among the world's highest on paper, the union leader pointed out that workers have yet to enjoy real affluence, faced with staggering land prices and long working hours.

The Labor Ministry has called on Japanese employers and workers to make "every effort" to cut annual time on the job to 1,800 hours by March 1993.

This year's labor negotiations will reach their climax in the first and third weeks of April, when the seven major industrial unions affiliated with the eight-million-member Rengo are to receive replies from management to their demands.

The seven unions include the confederation of Japan Automobile Workers Unions, the Japanese Federation of Iron and Steel Workers Unions, and the General Federation of Private Railway and Bus Workers Unions.

Takashi Sakuma, a deputy section chief at the Economic Planning Agency, predicted a wage settlement a bit lower than 5.94 percent.

A settlement at this level would be low enough not to trigger heated inflation, allowing Japan's economic expansion to continue, he said.

Self-Defense Force Training Aircraft Crashes

OW1203041091 Tokyo KYODO in English 0354 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—An Air Self-Defense Force [ASDF] T-4 training jet crashed into the sea off Shizuoka Prefecture on Tuesday morning, killing one of the two ASDF airmen aboard, according to reports received by the Defense Agency.

ASDF Technical Sgt. Takeshi Nakano, 23, was picked up about an hour after the crash but he was confirmed dead later.

Maj. Masaharu Yokochi, 40, remains missing.

Yokochi and Nakano reportedly left the home base of the ASDF 1st Air Wing at Hamamatsu at 8 AM for a training flight over the Pacific Ocean off the coast of Shizuoka Prefecture.

The aircraft apparently crashed shortly after 9 AM in the sea about 10 kilometers east of the mouth of the Tenryu River.

The T-4 training jet, made entirely with Japanese technology, has been used by ASDF pilots since 1989.

Metal Fatigue Linked to Nuclear Plant Accident

OW1103174091 Tokyo KYODO in English 1515 GMT 11 Mar 91

[Text] Tokyo, March 11 KYODO—A metal part not installed according to specifications may have been the direct cause of last month's accident at a nuclear power plant in Fukui Prefecture, the government said Monday.

In the February 9 accident, the reactor's emergency core cooling system was activated to avert a possible meltdown after 55 tons of radioactive water leaked from the main cooling system into the secondary system that powers the plant's turbine.

The leak, at Kansai Electric Power Co.'s Mihama Nuclear Power Plant, occurred because of breakage in one of the tiny pipes that transfer heat between the two systems.

The pipes, which run in a series of loops, are supposed to be held together by a so-called antivibration metal fitting (AVB), fixing the pipes to reduce the high-frequency vibrations that can cause metal fatigue.

In this case, however, the AVB was not installed around as many pipes as the reactor's blueprints called for, officials said, leading to the metal fatigue that caused the pipe to break, allowing water to flow out of the reactor core into the secondary system.

Mitsubishi Heavy Industries admitted responsibility the same day for not having installed the AVB according to specifications, adding that there was no system in place to check on the installation.

Human error involving a high-pressure escape valve in the primary cooling water system at the complex also contributed to the accident, the International Trade and Industry, and the Resources and Energy Agency said.

A plant worker mistakenly closed the valve, designed to release excessive pressure in the primary cooling system, during regular checkups in April through July last year, officials said.

The valve did not work when plant workers tried to activate it during the accident, Japan's worst to date.

Government officials said they have instructed five power firms which operate 16 pressurized water reactors of the same type as the one at Mihama to determine whether their AVBs are properly fitted.

Computer Manufacturers Join in Bid for PC Market

OW1103123891 Tokyo KYODO in English 1147 GMT 11 Mar 91

[Text] Tokyo, March 11 KYODO—IBM Japan, Ltd. said on Monday 11 Japanese computer and consumer electronics manufacturers have joined its personal computer Open Architecture Developers' Group (OADG) in a move to loosen NEC Corp.'s grip on the domestic PC market.

The group, which kicked off on Monday, will develop a common standard for all devices that connect to and all software that run on IBM personal computers sold in Japan, officials said.

Members include such computer heavyweights as Fujitsu Ltd., Hitachi, Ltd., and Toshiba Corp. Other participants are Canon Inc., Sony Corp., Oki Electric Industry Co., Matsushita Electric Industrial Co., Sanyo Electric Co., Sharp Corp., Ricoh Co., and Mitsubishi Electric Corp.

While participants already make IBM clones, this is the first time for IBM to bring rivals together to promote a common standard or IBM's personal computers sold in Japan.

Under the developers' group, IBM will supply members with its PC disk operating system (DOS) Version J4.0/V and all software which run on it.

The company will also provide technical information, compatible test support, and display technology.

Participants will pay a 3 million yen fee the first year of membership and 2 million yen for every year after, officials said.

NEC, which holds over 50 percent of the domestic PC market, makes computers that are not compatible with IBM-based machines.

Mitsubishi Sets Sales of New VCR System

OW1103085291 Tokyo KYODO in English 0831 GMT 11 Mar 91

[Text] Tokyo, March 11 KYODO—Mitsubishi Electric Corp. said Monday it will begin selling on March 27 a videotape recorder (VCR) with satellite broadcasting reception capability that automatically cuts television commercials while recording.

Company officials said the high resolution Super VHS HV-BS 23 VCR model will sell at a retail price of 150,000 yen, excluding consumption tax. Sales of over two million machines are forecast for the first year.

Super VHS is the new video format promoted by Matsushita Electric Industrial Co. to compete against Sony Corp.'s 8mm version.

Nissan To Enter Portable Telephone Business

OW1203093391 Tokyo KYODO in English 0901 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—Nissan Motor Co. will enter the portable telephone business in Japan in 1994 in a move aimed at helping diversify its business operations, company officials said Tuesday.

The officials said it plans to compete head-on with rival Toyota Motor Corp., which already offers an analog mobile telephone service through Japan Idou Communications (IDO).

The officials said Nissan will establish new firms in both the Kanto and Tokai Districts which would provide a digital-type car and portable telephone service in the Kanto region and eastern Japan to start with, and later to other regions.

A foreign telecommunications company and Daini Denden Inc., Japan's second-largest domestic long-distance telephone carrier, also may purchase an equity stake in the new firms, according to the officials.

In February, the Ministry of Posts and Telecommunications decided to permit two new companies to provide digital-type mobile telephone services, which are being introduced in Japan in 1992.

At present, only Nippon Telegraph and Telephone Corp. (NTT), Japan Idou Communications, and Daini Denden provide car and portable telephone services in Japan.

While Nissan is expected to be one of the two new companies to enter the business, Japan Telecom Co., another domestic long- distance telephone carrier, is also forecast to enter the market, according to the Japanese financial newspaper, NIHON KEIZAI SHIMBUN.

Fujitsu, British Telecom Establish Joint Venture

OW1103161591 Tokyo KYODO in English 1405 GMT 11 Mar 91

[Text] Tokyo, March 11 KYODO—Fujitsu Ltd. on Monday announced the establishment of a joint transmission equipment and other telecommunications products manufacturing venture with British Telecom (BT).

The new firm takes over the products division from Fulcrum Communications Ltd., a wholly owned subsidiary of BT, and also the name of the BT subsidiary.

The joint firm has a paid-up capital of 18 million pounds, of which 74.9 percent is provided by Fujitsu and 25.1 percent by BT.

The new company has its head office in Birmingham, central England.

The joint company takes over some 620 employees from the products division.

A spokesman for Fujitsu said, "we would like to contribute to the British manufacturing industry by providing our advanced technology to Fulcrum."

Fujitsu last year acquired Britain's largest computer maker, International Computers Ltd.

Fujitsu now has computer and telecommunications equipment production bases in Britain, and industry analysts say the company is likely to pose a threat to European computer and telecommunications equipment manufacturers.

Manufacturers, Shipbuilders Begin Price Talks

OW1103115891 Tokyo KYODO in English 1138 GMT 11 Mar 91

[Text] Tokyo, March 11 KYODO—Major steel manufacturers have started negotiations with shipbuilders to raise the price of steel plates for shipbuilding, company officials said Monday.

An executive in charge of sales at a big steelmaker said, "we can't reveal the proposed price hike margins as we need to conduct negotiations with shipbuilding companies from now," but industry sources forecast the average rise will be about 5,000 yen per ton.

In addition to prices for steel plates for ships, many steelmakers are planning to raise prices for ordinary rolled steel for large-lot customers such as automakers and electrical machinery manufacturers next fiscal year starting April 1, the sources said.

Price negotiations for steel sheets, typical ordinary rolled steel, will begin in April, and the price increases would be the first in nine years.

Industry sources believe steel sheet prices will also be raised by an average of 5,000 yen a ton.

Hikes in ordinary rolled steel prices are expected to have a larger impact on prices in general.

Steelmakers said the price hikes are necessary because prices for raw materials such as iron ore have risen steadily over the past few years, along with other costs like labor and distribution.

Helped by strong domestic demand, Japan's annual crude steel production has exceeded 100 million tons for the last few years.

Nippon Steel Corp. and other major steelmakers predict, however, their pretax profits will see double-digit year-on-year falls in the year to March 1991, despite brisk sales because of higher production costs.

Moreover, the nation's crude steel output is forecast to drop to around 106 million tons.

An official at a big steelmaker said increases in production costs have reached a level that can be tolerated only by industrial rationalization.

Government To Boost Public-Sector LPG Stockpiles

OW1103100591 Tokyo KYODO in English 0909 GMT 11 Mar 91

[Text] Tokyo, March 11 KYODO—National stockpiles of liquefied petroleum gas (LPG) may be established in addition to those kept by the private sector so as to improve security of supplies, government officials said Monday.

The move follows concerns that arose during the Persian Gulf war, when there was a temporary halt in shipments from Saudi Arabia, the largest supplier.

Thousands of Japanese households rely on LPG as fuel for cooking and heating.

The officials at the Agency of Natural Resources and Energy said the move to boost stockpiles of LPG stems from the growing concerns that the supply of LPG is not as well secured as that of crude oil. The agency is affiliated with the Ministry of International Trade and Industry (MITI).

While Japan maintains sufficient private and government stocks of crude oil to last for 142 days, reserves of LPG are held only by the private sector, and are enough to last just 69 days, they said.

Domestic demand for LPG has been growing by around 5 percent a year, and totaled about 18.5 million tons in 1990, according to the agency.

A breakdown of consumption shows that 33 percent is used by households and small restaurants, and 10 percent is used as fuel by taxis. Other users are steelmakers and other manufacturers, accounting for 25 percent, suppliers of city gas 13 percent, chemical firms 12 percent, and electricity companies 5 percent,

Importers are boosting their stock capacity to meet the reserve requirements, but they are unwilling to expand such facilities beyond that amount because LPG has to be kept frozen, making storage costly.

This has prompted the move by the agency to build up national reserves, the officials said.

North Korea

South's No Chae-pong's Remarks on Military Noted

SK0903114391 Pyongyang KCNA in English 1040 GMT 9 Mar 91

["Outcry of One Bloated With Ambition for Northward Invasion"—KCNA headline]

[Text] Pyongyang March 9 (KCNA)—The puppet Prime Minister No Chae-pong told a "cabinet meeting" on March 7 that the Gulf war unleashed by the United States showed "aspects and strategy of a war in which latest high-tech weapons were used" and ordered the puppet Defence Ministry to "make a deep analysis of its experiences and reexamine South Korea's established defence strategy", according to a report from Seoul.

This fully reveals how desperately the South Korean authorities are trying to step up war preparations at the instigation of the U.S. imperialists.

As for No Chae-pong, it is two months since he became the "prime minister" after serving No Tae-u at "Chongwadae" as his confidant. From the first days of the premiership, he has never opened his mouth without uttering words against the North.

There is nothing strange in that he repeated the powder-reeking words uttered by No Tae-u at a graduation ceremony of the puppet Military Academy on March 5.

It shows that No Tae-u and Co. are a ruling group of separatists who want neither dialogue nor reunification, bloated with ambition for northward invasion.

South's UN Entry Policy Called 'Treacherous'

SK0903110291 Pyongyang KCNA in English 1026 GMT 9 Mar 91

["Criminal Scheme To Legitimize 'Two Koreas' Plot"—KCNA headline]

[Text] Pyongyang March 9 (KCNA)—South Korean puppet Foreign Minister Yi Sang-ok at a press conference Friday prattled that "the entry of the South into the United Nations would stimulate the North's entry into it," according to a report from Seoul.

He contended that "the discussion of the matter of U.N. membership with the North is non-productive."

This is an unpardonable criminal act of the South Korean authorities to disguise South Korea, a colony of the United

States, as an "independent state", perpetuate the division of the country and legitimize the existence of "two Koreas" on the international scene by achieving their "unilateral admission" into the U.N. at any cost.

Not only once has the government of our Republic declared that it considers it most desirable for the North and the South to enter the U.N. with one nomenclature after the reunification through confederation and, if they are to enter it before the reunification, they should share one seat there.

Yet the No Tae-u ruling group is kicking up the row of "unilateral entry into the U.N.", turning down our just proposal. This is a treacherous act going against the desire of the 70 million fellow countrymen who are longing for national reunification.

And this only reveals its anti-national, anti-reunification treacherous intention to find a way out in executing the "two Koreas" strategy of the U.S. imperialists.

Commentary Claims South's UN Plan 'Crime'

SK1003095091 Pyongyang KCNA in English 0836 GMT 10 Mar 91

[Text] Pyongyang March 10 (KCNA)—The South Korean puppet foreign minister in a "round-table conversation with journalists" a few days ago let loose a string of jargon, urging the North to "change the attitude" as to the issue of joining the U.N. membership, according to a report. He drivelled that South Korea's "entry" into the U.N. would "promote" the North's "entry" and it was "non-productive" to "discuss" the matter of U.N. membership any longer at the "North-South talks".

The puppet administration made public their plan to "apply" to the U.N. Security Council for "U.N. membership" right before the 46th session of the U.N. General Assembly this year.

A commentary of MINJU CHOSON today brands this as an anti-national crime of the South Korean authorities who openly revealed their sinister intention to perpetuate the division of the country by refusing our fair and aboveboard proposal on the matter of U.N. membership and "unilaterally" joining the United Nations.

The news analyst says:

It is a known fact that we have asserted it is most reasonable to resolve the question of U.N. membership after the North and the South are reunified as one state and we put forward the proposal that in case the North and the South should enter the U.N. before reunification, they should not enter it separately, but share one seat.

The South Korean authorities, however, openly revealed their intention for "unilateral entry into the U.N.", talking rubbish about someone's "change of attitude," "non-productive" and so on, after sticking to their unjustifiable assertions at the negotiating table for resolving the U.N. membership question. This shows that they are not at all interested in the dialogue concerning U.N. measures.

The separatist scheme of the South Korean rulers is a vicious challenge to the fellow countrymen fighting to make this year a year of detente and peace, reconciliation and unity and a historical year of opening a new phase of national reunification.

Our stand toward the question of U.N. membership remains unchanged.

The South Korean authorities should give up at once the wrong scheme to "unilaterally join the U.N." contrary to the people's will and the interests of the nation.

'Threat' Over 'Illegal Election Campaign' Viewed

SK0903051091 Pyongyang KCNA in English 0449 GMT 9 Mar 91

[Text] Pyongyang March 9 (KCNA)—At a "joint press conference" on March 7 the puppet home minister said the "illegal balloting watch groups" will be increased to 10,000 men from 3,000 to punish "anybody breaking the election laws," while the puppet minister of justice blared that the "illegal election campaign" would be severely dealt with.

They also made public "measures for the promotion of fair elections" and "measures to deal with election offences."

Such threat and "measures" are criminal moves to create an atmosphere favorable for "election" rigging backed by bayonet under the hypocritical pretext of "ensuring fair elections" and brutally suppress the patriotic forces for reunification and democracy, charging them with "election illegalities spoiling fair elections," a news analyst of NODONG SINMUN today says, and continues:

The No Tae-u ruling group, finding itself in a serious crisis, is running amuck in suppression, bereft of reason and discretion, as the South Korean students and people are intensifying the struggle for independence, democracy and reunification, the tug-of-war has grown fiercer within the "Democratic Liberal Party" [DLP] and scandals in which "Chongwadae" was involved have been dragged into the light of day one after another.

No Tae-u summoned "cabinet ministers," "provincial governers and mayors" and chiefs of police stations throughout South Korea on March 6 and ordered them to "severely punish cases of illegal campaign with the same stringency as in the war against crimes by mobilizing all the administrative power and inspection function."

What the puppet home and justice ministers said at the "joint press conference" was based on this repressive order of No Tae-u.

The No group is now creating the impression that other people, not itself, are engaged in "illegal campaign" in South Korea. What is more crafty of it is to allow no other civilian organizations but itself to conduct "election campagin".

It seeks a sinister intention to make the "DLP" unchallenged in the "local assembly elections" and, further, lay foundations of a long-term office by turning South Korea into a land of horrible fascist rowdyism and binding the forces for reunification and democracy tightly to the fascist fetters.

But things will not go as it wishes.

The No ruling group must be clearly mindful that the brutal suppression of the people will only precipitate its own doom.

More Coverage of Military Exercises in South

SK1203053891 Pyongyang KCNA in English 0503 GMT 12 Mar 91

[Text] Pyongyang March 12 (KCNA)—The U.S. imperialists and the South Korean puppets on March 10 mobilized huge armed forces of the three services and staged twice the exercise for supporting a large-scale landing operation in Pohang, according to military sources.

Mobilized in this war gamble were the ground and motorized units of the U.S. imperialists and the South Korean authorities and landing crafts, guided-missile cruisers, guided-missile destroyers, escort crafts and nuclear-powered submarines based in the U.S. mainland and the Pacific region.

And this exercise was supported by F-15, A-4, FA-18, AV-8, EA-6, P-3, C-130 and EC-130 fighter bombers, assault planes, pursuit-assault planes, VTOL assault planes, electronic jamming planes, antisubmarine patrol planes, transport planes and reconnaissance planes.

On the same day, the U.S. imperialists sent formations of AV-8 VTOL assault planes based in Iwakuni, Japan, to the sky above the river Nakdong to stage a frantic ground striking exercise in cooperation with formations of F-5 fighter bombers of the puppet airforce.

That day, they also introduced into the Osan airfield several formations of C-141, C-130 and C-12 transport planes carrying large armed forces and military equipment based in the U.S. mainland and the Pacific region to be hurled into the "Team Spirit 91" military exercises and deployed formations of A-4, KC-135 and other-type assault planes and mid-air refueling planes in the Taegu and Osan airfields.

Meanwhile, the U.S. imperialists let U-2 high-altitude strategic reconnaissance planes make a shuttle flight along the Military Demarcation Line on March 10 and 11, committing intensive aerial espionage on the objects in the depth of the North side.

Peaceful Climate Said Needed for Reunification

SK1203104791 Pyongyang KCNA in English 1007 GMT 12 Mar 91

[Text] Pyongyang March 12 (KCNA)—NODONG SINMUN today says in a signed article that to create a peaceful climate is a pressing task in realizing national reunification. The article quotes the great leader Comrade Kim Il-song as saying: "The foremost, most pressing task in realizing national reunification is to ease the tension on the Korean peninsula and create a peaceful climate for national reunification." The article says: To realize the cause of national reunification, it is imperative to ease tension prevailing on the Korean peninsula and ensure a peaceful environment. In our country, peace is being ruthlessly harassed and a dark cloud of war is heavily hovering due to the ceaseless war moves of the U.S. imperialists and their follower the South Korean authorities. If a war breaks out in Korea, it will endanger the existence of the nation, to say nothing of the reunification of the country. To prevent a war is, in the long run, the foremost problem related to the destiny of the nation and peace is the most urgent task to be preferentially carried out by the North and the South for the reunification of the country and the safety of the nation. To adopt a nonaggression declaration is the starting point, the first process at present in removing mistrust and easing confrontation between the North and the South and opening a new phase for peace and peaceful reunification. Nevertheless, the No Tae-u ruling group rejected the adoption of a nonaggression declaration and are staging large-scale "Team Spirit-91" joint military maneuvers in collusion with the U.S. aggression forces. Such war racket against the North proves that the U.S. imperialists and the South Korean authorities are seeking only confrontation and war, disregarding peace and peaceful reunification of the Korean peninsula and North-South dialogue. And it reveals that the South Korean authorities' talk about nonaggression is a lie and clamour about "threat from the North" is nothing but a fiction. The South Korean authorities should not turn their face away from the matter of removing military confrontation nor delay it but unhesitatingly respond to adopting a nonaggression declaration. The South Korean rulers should immediately take a step to stop the "Team Spirit-91" joint military exercises against the North they launched together with the U.S. imperialists. The United States, directly responsible for the issue of peace on the Korean peninsula, should renounce the war policy of strength, looking squarely at the sincere efforts of the DPRK for peace and the unanimous ardent desire of the Korean people for reunification, sign a peace agreement with us and get its aggression troops and nuclear weapons withdrawn from South Korea at once.

Japanese Groups Urge Normalization of Ties

SK1003091291 Pyongyang KCNA in English 0808 GMT 10 Mar 91

[Text] Tokyo March 8 (KNS-KCNA)—The Kobe City assembly in Hyogo Prefecture, Japan, on February 25 adopted a recommendation for the establishment of diplomatic relations between Japan and the DPRK, strongly demanding that the Japanese Government normalise diplomatic relations between Japan and the DPRK as soon as possible and establish new friendly relations.

Noting that a fast change is noticed in the relations between the two countries as can be seen [by] the full-dress inter-governmental talks for normalising diplomatic relations, the recommendation said the establishment of diplomatic relations between Japan and the DPRK will greatly contribute to consolidating peace and security in Northeast Asia and improving North-South relations.

A resolution calling for an early establishment of diplomatic relations between Japan and the DPRK was adopted at a meeting which was held at the Workers' Welfare Hall in Kagoshima on February 24.

Group To Probe Japanese Conscription of Koreans

SK1103111391 Pyongyang KCNA in English 1035 GMT 11 Mar 91

[Text] Tokyo March 9 (KNS-KCNA)—A Chiba prefectural Korea-Japan joint team to probe the labor conscription of Koreans in the period of the Japanese imperialist rule was formed in Japan on February 25.

The participants in the inaugural ceremony decided to clarify the truth of the labor conscription of Koreans in Chiba Prefecture through the collection of testimonies of the victims and eye-witnesses of conscription and deepen the understanding and friendly relations between the DPRK and Japan.

At the ceremony, No Chae-ok, vice-chairman of the Chiba prefectural headquarters of the General Association of Koreans in Japan, and Fukuhei Ichikawa, member of the Chiba prefectural assembly from the Japan Social-Democratic Party, were elected heads of the 19-member joint fact-finding team.

South's 'Intervention' in Ties With Japan Noted

SK1003132091 Pyongyang Domestic Service in Korean 0030 GMT 10 Mar 91

[NODONG SINMUN 10 March commentary: "Presumptuous and Unreasonable Act"]

[Text] In his news conference with the Japanese journalists a few days ago, the so-called South Korean puppet prime minister commented on the normalization of diplomatic ties between the DPRK and Japan. His remarks were very foolish and senseless.

He made irrelevant and deceptive remarks: Japan should not mediate relations between the DPRK and the United States. The past history of relations between South Korea and Japan will be wrong if Japan agrees to reparations for the 45-year postwar period to the North. The security of the entire Far East will be greatly jeopardized if it recognizes one Korea on the Korean peninsula. This is a sophistry that can be spoken only by the splittists and traitors like the South Korean puppets, who are senseless, shameful, and dishonorable. In addition, it is a foolish and imprudent act to brake [chedong] and drive a wedge [sseogi] in improving relations between the DPRK and Japan.

The normalization of diplomatic ties between the DPRK and Japan is a matter that should be undertaken by their governments. It is going in the direction of contributing to peace and security in Asia and the world. It conforms with the intention and interest of our people and Japan. Therefore, no one has the right to interfere in it.

The impertinent intervention of the South Korean puppets in a matter conducted between sovereign states is unspeakable and presumptuous. It is also shameful that they interfere in the others' affairs without knowing their own position.

Now, the South Korean puppets, along with the U.S. imperialists, are freezing the North-South dialogue for reunification and are leading the situation on the Korean peninsula to the brink of war by conducting the Team Spirit-91 joint military exercise, which is a test nuclear war aimed at carrying out a preemptive strike against the northern half of our Republic. Nevertheless, they are not satisfied with such a criminal act, which is unforgiving. Therefore, their attempts to block the talks between the DPRK and Japan are an act that can be made only by the persons who take no notice of the people, country, peace, and reunification.

The same remarks always have been made by the so-called puppet prime minister, and what is more, his remarks made on that day were a preposterous sophistry, because he said that if Japan recognizes one Korea, the security of the entire Far East will be destroyed.

As is known to all, the talks between the DPRK and Japan for the normalization of diplomatic ties is in progress in accordance with the joint statement by the three parties: the Workers Party of Korea, Japan's Liberal Democratic Party, and the Japanese Socialist Party. The joint statement declares at home and abroad that Korea is one, and that the North and the South should be, without fail, reunified as one.

When the relations between the DPRK and Japan are normalized with the precondition that Korea is one, it will be helpful to peace and the peaceful reunification of Korea, as well as to peace and security in Asia and the world.

The normalization of diplomatic ties between the DPRK and Japan is helpful to eveyone. In particular, we, as the Korean people, should welcome it by raising both hands. Although the South Korean puppets cannot welcome it, they should not desperately oppose its realization. Therefore, their maneuvers, as antinational acts, will not avoid being denounced.

The tension on the Korean peninsula is being aggravated, the danger of a nuclear war is being increased, and the security of Asia and the world is being jeopardized, because Korea was divided, and because the United States is turning South Korea into the largest advance nuclear base in the Far East. Everyone in the world knows this.

When Korea is reunified as one, the root of confrontation and tension will be removed. Therefore, peace on the Korean peninsula, in the Far East, and in the world will be reliably guaranteed. By the way, how can the forced logic, which implies that if Japan recognizes one Korea the security of the entire Far East will be destroyed, be understood in today's bright world? This shows their splittist nature to the world in detail and that they desperately oppose national reunification. This also reveals their secret intentions to the world that they do not want normalization of DPRK-Japanese diplomatic ties and detente in Asia.

The No Tae-u ring's indiscriminate act to brake and drive a wedge in normalizing DPRK-Japanese diplomatic ties will help make a more miserable life for themselves, deserted by all the Korean people and the world's progressive people.

It is a foolish act for the South Korean puppets to attempt blocking the normalization of DPRK-Japanese diplomatic ties. By establishing relations between the DPRK and Japan at an early date, we will positively try to realize correctly the three parties' joint statement.

The South Korean rulers should be properly aware of the trend of the times. They should immediately stop conducting the antinational criminal act of interfering in the normalization of diplomatic ties between the DPRK and Japan. If they continue such an act in spite of our repeated warnings, they will not avoid meeting the condemnation and denouncement from all the people and world's peace-loving people.

Commentary on Soviet Weekly's Diplomacy Article

SK1003115091 Pyongyang Domestic Service in Korean 2100 GMT 7 Mar 91

[Text] The No. 5, February, issue of the Soviet weekly periodical SOVETSKIY PATRIOT carried an article entitled "A Parting Without Feelings of Regret?" In it, the periodical refers to the repeated one-sided concessions that the Soviet Union has made in foreign policy, prompted by the new way of thinking and perestroyka. The article notes:

The purpose of foreign policy should always be to ensure the state's external interests. For instance, if Peter I and Empress Catherine had pursued only one objective of promoting neighborly relations at any cost, Russia would have failed to open the way to the Baltic Sea and the Black Sea. Yet a situation identical to this can happen for our secessionists today because of our perestroyka, which is receiving full support from Bush and other Western leaders.

The article writes: For instance, when the treaty for medium-range and shorter-range missiles was signed, why did our diplomats give up the previous demand of accounting for the British and French nuclear forces, the U.S. nuclear-carrying planes in Europe, cruise missiles deployed at sea, and the U.S. nuclear force in the Far East as nuclear arms of the West? Was this a price paid for their support of perestroyka?

The article continues: In defending the external policy line of our country's leadership at the 28th CPSU Congress, Shevardnadze, pretending to prove the justness of the leadership and himself, referred to U.S. President Bush's remark, "You can take our assertion that the United States will never threaten Soviet security as a starting point." This remark made by Bush is very obscure. A number of premises can be taken as a starting point. Hitler promised us more than this, and kept his promise for some time in the initial stage.

Something else draws our special attention. Before the 28th CPSU Congress, we were persuaded to absolutely trust the leadership of our country; and after the Congress, we were called upon to trust even the leadership of our potential enemy country. The disaster that began with our unilateral concession in the field of arms is increasing with the passage of time. As a snowball falling down a high hill grows larger and faster, so our disaster is becoming more serious with increasing speed. Hurriedly the treaties on the withdrawal of our Army from Hungary and Czechoslovakia were signed. The Foreign Ministry representatives were too preoccupied with the thought of hurriedly withdrawing the Soviet Army units from the allies' territory to think of the fate of the tens of thousands of Army officers and their families who had no houses in which to live. The diplomats forgot about the need for getting compensation for the buildings, the facilities in the areas where our Army had been stationed, and the airbases. It was after all the documents had been signed that they thought of it.

In the Geneva agreement of 1988 on Afghanistan, there was no mention of the prisoners of war. Shevardnadze was also involved in this. If the Foreign Ministry had not made a mistake, our soldiers in captivity would have returned to the fatherland long ago.

In the Gulf conflict, as well, our leadership, including Shevardnadze, failed to take a proper position. Did not the U.S. forces act like that in Grenada and Panama even more viciously? Why did we not organize a worldwide denunciation when the aggressors engaged in all sorts of activities as they pleased in the territories of sovereign states? Israel, detecting our perturbation with Iraq, set off at once to use the situation for its objective. In other words, Israel began to drive a wedge in the relations between the Soviet Union and the Arab countries. There was another round of economic aid gestures and promises. Therefore, we are heading to restore diplomatic relations with the aggressor [chimnyakchawa oegyo kwangyerul hoebok hanundero nagago itta].

The United States, detecting that we are continuing to make concessions, is becoming more shameless. The United States is openly approving and supporting the secessionist moves of the Baltic Soviet Republics, concentrating on the collapse of the Soviet Union. The Bush administration is thrusting an ultimatum before us, forcing its will upon us. In return for giving a loan to our country and granting us most favored nation status in trade and tariffs, the Americans demand that the Soviet Union adopt a law on free exits and head for a market economy. We do not know what the diplomatic term to describe this act is, but we have always called it a vicious shamelessness in Russian.

Why should we become aware only by suffering sacrifices and vicissitudes that the United States, the United Kingdom, Japan, the FRG, and other major Western countries have never wanted, and never will want, our country to become a strong major power? Each country has its own mission. Russia must also carry out its mission, but it should never go to other countries to bow obsequiously and borrow money. No one wants Russia to prosper. We should never have such a fantasy. There are those who fear and distrust Russia. Therefore, there seems to be no reason why we should regard those who pay attention to the Soviet Army as wrong. Russia has no allies. The United States want to use the situation for its objective. What the United States needs is a new large market, namely, our country. Japan and Germany are also reaching out their hands. Our country is in realistic danger of being turned into a semicolony.

Angolan Government, Party Delegation Visits

SK0903114091 Pyongyang KCNA in English 1037 GMT 9 Mar 91

[Text] Pyongyang March 9 (KCNA)—A party and government delegation of the People's Republic of Angola led by Juliao Mateus Paulo, member and executive secretary of the Political Bureau of the MPLA-Workers' Party Central Committee [C.C.], arrived here today for a goodwill visit to Korea upon the invitation of the C.C., the Workers' Party of Korea and the DPRK Government.

It was met at the airport by Choe Yong-nim, alternate member of the Political Bureau of the WPK Central Committee and vice-premier of the Administration Council; Kim Chae-pong, vice-director of a department of the WPK Central Committee; Kim Kwang-chin, vice-minister of People's Armed Forces; Kim Yong-yong, vice-minister of foreign affairs, and other officials concerned.

A welcome function for the delegation took place at the airport.

Attends Banquet; Speeches Noted

SK1003085791 Pyongyang KCNA in English 0825 GMT 10 Mar 91

[Text] Pyongyang March 10 (KCNA)—The Central Committee [C.C.] of the Workers' Party of Korea [WPK] and the Government of the Democratic People's Republic of Korea arranged a banquet Saturday for the party and government delegation of the people's Republic of Angola on a goodwill visit to our country.

Speaking first at the banquet, Choe Yong-nim, alternate member of the Political Bureau of the C.C., WPK and vice-premier of the Administration Council, said that Korea and Angola are geographically far away from each other, but they have a deep-rooted tradition of friendship.

He stressed: The Korea-Angola friendship is constantly developing with great vitality thanks to the comradely relations between the great leader Comrade Kim Il-song and respected President Jose Eduardo dos Santos.

The fraternal Angolan people are vigorously striving to achieve peace and stability of the country and build a democratic socialism chosen by themselves.

We fully support all the peaceful initiatives and steps taken by the People's Republic of Angola to promote the stability of the country, the speaker stated. And he wished the Angolan people greater success in the endeavours for consolidating the national independence and safeguarding the gains of revolution.

Juliao Mateus Paulo, member and executive secretary of the Political Bureau of the MPLA [Popular Movement for the Liberation of Angola]-Workers' Party Central Committee, spoke next.

He stressed that his delegation's current visit to the DPRK clearly shows the excellent friendly and cooperative relations existing between the parties, governments and peoples of Angola and Korea.

The great leader Comrade President Kim Il-song and the party, government and people of brotherly Korea extend full support to the Angolan people in their struggle, he noted, and stated: The friendly relations between Angola and Korea will further develop and be everlasting thanks to the intimate relations between respected Comrade President Jose Eduardo dos Santos and the great leader Comrade President Kim Il-song and dear Comrade Kim Chong-il.

He emphasized:

We fully support all the proposals for national reunification advanced by the great leader Comrade President Kim Il-song and the efforts of the WPK and the DPRK Government for their materialization.

Participates in Discussions

SK1003092191 Pyongyang KCNA in English 0844 GMT 10 Mar 91

[Text] Pyongyang March 10 (KCNA)—Talks between the party and government delegations of the Democratic People's Republic of Korea and the People's Republic of Angola were held at the Mansudae Assembly Hall today.

Present at the talks on the Korean side were Choe Yong-nim, alternate member of the Political Bureau of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and vice-premier of the Administration Council; Kim Chae-pong, vice-director of a department of the C.C., WPK; Kim Kwang-chin, vice-minister of People's Armed Forces; Kim Yong-yong, vice-minister of foreign affairs; and other officials concerned and on the opposite side were the members of the Angolan party and government delegation led by Juliao Mateus Paulo, member and executive secretary of the Political Bureau of the MPLA [Popular Movement for the Liberation of Angola]-Workers' Party Central Committee.

At the talks the two sides informed each other of the situation in their countries and discussed the question of further developing the friendly and cooperative relations between Korea and Angola and a series of other matters of common concern.

Our side expressed full support to the Angolan party and government's efforts for peace and stability of the country and national reconciliation and unity.

The head of the Angolan party and government delegation expressed thanks for the support and encouragement the Korean people render to the Angolan people in their struggle, and voiced full support to all the principled and reasonable proposals advanced by the great leader Comrade Kim Il-song for Korea's reunification.

The Angolan party, government and people will always fully support in the future, too, the stand of the Workers' Party of Korea and the Government of the DPRK for a just solution to the Korean question in the international arena, he stressed.

The talks proceeded in a friendly atmosphere.

Meanwhile, Choe Yong-nim met and had a friendly conversation with the delegation when it paid a courtesy call on him on March 9.

Continues Talks 11 Mar

SK1103111191 Pyongyang KCNA in English 1056 GMT 11 Mar 91

[Text] Pyongyang March 11 (KCNA)—Talks between Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea [WPK], and Juliao Mateus Paulo, member and executive secretary of the Political Bureau of the Central Committee [C.C.] of the MPLA [Popular Movement for the Liberation of Angloa]-Workers' Party, were held in Pyongyang today.

Present on our side were Kim Chae-pong, deputy director of a department of the C.C, the WPK, and officials concerned, and on the opposite side were Teresa de Jesos Ferreir, chief of the cabinet of the Executive Secretary of the Political Bureau of the C.C., the MPLA-Workers' Party, and personages concerned.

The sides informed each other of activities of their respective parties and discussed matters of developing friendly relations between the two parties.

The talks proceeded in a friendly atmosphere.

Received by Kim Il-song 12 Mar

SK1203110291 Pyongyang KCNA in English 1041 GMT 12 Mar 91

[Text] Pyongyang March 12 (KCNA)—The great leader President Kim Il-song today received the party and government delegation of the People's Republic of Angola led by Juliao Mateus Paulo, member and executive secretary of the Political Bureau of the MPLA-[Popular Movement for the Liberation of Angola] Workers' Party Central Committee [C.C.], on a friendly visit to Korea.

Present on the occasion were Choe Yong-nim, alternate member of the Political Bureau of the C.C., the Workers' Party of Korea [WPK] and vice-premier of the Administration Council, Kim Chae-pong, vice-director of a department of the C.C., WPK, and Kim Kwang-chin, vice-minister of the People's Armed Forces.

The head of the delegation handed to Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, a personal letter of Jose Eduardo dos Santos, president of the MPLA-Workers' Party Central Committee and president of the People's Republic of Angola.

President Kim Il-song had a conversation with the guests in a warm and friendly atmosphere.

Delegations Leave for Visits to Iran, China

SK1103131491 Pyongyang KCNA in English 1058 GMT 11 Mar 91

[Text] Pyongyang March 11 (KCNA)—A delegation of the DPRK radio and TV broadcasting committee led by its Chairman Chong Ha-chol to visit Iran and a delegation of Huang Jiguang senior middle school in Kosong County, Kangwon Province, led by its Principal Yi Chin-kwon to visit China left here today.

Choe Kwang, Delegation Return From Cuba

SK1003085991 Pyongyang KCNA in English 0842 GMT 10 Mar 91

[Text] Pyongyang March 10 (KCNA)—The DPRK military delegation led by Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and chief of the general staff of the Korean People's Army [KPA], flew back home today after paying a visit to Cuba.

It was met at the airport by General Chon Mun-sop, Colonel General Yi Pong-won, Colonel General Cho Myong-nok and Admiral Kim Il-chol of the KPA and Cuban Ambassador Juan Jose Leon Vega and the military attache of the Cuban Embassy, Minister-Councillor Boris Morozov and the military attache of the Soviet Embassy here.

The delegation left Havana on March 7.

Reportage on Choe Kwang Visit to Cuba

WA1203084091

For Havana TV and Pyongyang Radio reportage on the visit by Choe Kwang, chief of the General Staff of the Korean People's Army, to Cuba, including reports on his talks with Fidel Castro, Cuban Communist Party first secretary, and General Ulises Rosales del Toro, chief of the Cuban General Staff, please see the Cuba section of the 4 March Latin America DAILY REPORT and subsequent issues.

Cuba, Japan's Hanminjom Missions Give Briefings

SK1103044791 Pyongyang KCNA in English 0405 GMT 11 Mar 91

[Text] Pyongyang March 11 (KCNA)—The missions of the South Korean National Democratic Front (Hanminjon) in Cuba and Japan gave news briefings regarding "the present situation and immediate tasks facing the national democratic movement," a document adopted at an enlarged meeting of the Standing Committee of the C.C. [Central Committee], Hanminjon.

At a news briefing in Havana on March 4 Yi Sang-chol, chief of the Hanminjon mission in Cuba, said immediate tasks facing the national democratic movement are to focus on the anti-U.S. struggle for independence and, at the same time, to frustrate the No Tae-u ruling group's scheme for the perpetuation of the national division and accelerate national reunification.

He called attention to the fact that the enlarged meeting discussed and decided on the question of firm unity of the patriotic democratic forces with the "local assembly elections" just around the corner and the question of working out and setting forth an open letter and slogans of Hanminjon related to it.

Han Su-mi, spokesman of the Hanminjon mission in Japan, at a news briefing in Tokyo on March 5 exposed the grave provocative nature of the aggressive "Team Spirit 91" joint military exercises of the U.S. imperialists and the South Korean authorities.

Noting that the part and parcel of the movement for a change in South Korea is the anti-U.S. struggle for independence and either democracy or national reunification cannot be achieved without the struggle against U.S. imperialism, he presented materials showing the anti-American consciousness running high among the people.

Chongsu-to Reclaimed Tideland Project Begins

SK1103030991 Pyongyang Domestic Service in Korean 1200 GMT 7 Mar 91

[Text] The construction of the Chongsu-to reclaimed tideland has begun.

The construction of the Chongsu-to reclaimed tideland is a large-scale nature renovation project which is to obtain new land of the reclaimed tideland of 1,000 chongbo [1 chongbo = 2.45 acres] by constructing a bank of 650 meters that links Sigyo-ri, Kangnyong County to Chongsu-to and from Chongsu-to to Tungam-ri.

Not long after the start of the construction, the constructors here built the No. 1 bank of some 60 meters and the No. 2 bank of 57 meters, developed the Tungam quarry and the Som quarry, and also constructed a pier.

Hydraulic Power Stations Under Construction

SK1103121191 Pyongyang KCNA in English 1023 GMT 11 Mar 91

[Text] Pyongyang March 11 (KCNA)—Many medium- and small-size hydraulic power stations are under construction along with large ones in the Democratic People's Republic of Korea. According to data available at the Power Industry Commission, more than 1,300 minor hydraulic power stations had been built and put into operation by the end of February this year since the 19th plenary meeting of the 5th Central Committee of the Workers' Party of Korea (in December 1979) and some 1,000 others are under construction.

At the plenary meeting the great leader President Kim Il-song taught that rivers and streams should be dammed up to build hydraulic power stations on an extensive scale, saying there are many areas in our country fit for the construction of hydraulic power stations.

More than 400 minor hydraulic power stations have been built in different areas of South Hamgyong Province including Hochon, Pujon and Kumya Counties and other places which abound in hydraulic resources.

The province installed generating equipment production bases in scores of factories and enterprises including the Hamhung electric power equipment spare parts factory and is turning out generating equipment.

Some 50 medium- and small-size hydraulic power stations have come into being in Taehongdan, Samjiyon and other counties of Yanggang Province in the last two years alone.

South Pyongan Province has built more than 100 minor hydraulic power stations in Yangdok, Maengsan and Sinyang Counties and other areas with its own equipment, workforce and materials to create a generating capacity of tens of thousands of kw.

In recent years alone Yangdok County built some 20 power stations, thereby meeting the needs for electricity of local factories as well as lighting in the county by self-supply.

The construction of minor hydraulic power stations is currently under way also on many rivers and streams including the Namdae River in North Hamgyong Province and the Changja River in Chagang Province.

Editorial on Producing Construction Materials

SK1103100991 Pyongyang Domestic Service in Korean 0008 GMT 8 Mar 91

[NODONG SINMUN 8 March editorial: "Let Us Give Priority To Producing Equipment and Materials Needed for Construction"]

[Text] At present, all the party members and the working people throughout the country, upholding the great leader Comrade Kim Il-song's New Year address, are faithfully accelerating socialist economic construction with fighting spirit. In particular, the builders and soldiers of the Korean People's Army [KPA], who participate in major construction projects and housing construction, highly display patriotic devotion and mass heroism. They are energetically waging the struggle to create a new pace for the 1990's in construction.

To brilliantly bear fruit in their vigorous struggle to fulfill without fail the construction target pledged to the party, pertinent domains should produce equipment and materials needed for construction in a timely manner.

The great leader Comrade Kim Il-song has taught: Various domains of the national economy should give priority to producing equipment and materials needed for major construction projects. All should rise up to vigorously support the major construction projects.

Smoothly producing equipment and materials needed for construction is an important demand for accelerating all construction. This includes major construction projects and housing construction on which our party currently is concentrating great efforts, and expediting the completion of the construction projects.

Upholding the great leader Comrade Kim Il-song's New Year address, our people now are vigorously accelerating the major construction projects, including the Sariwon potassic fertilizer complex, the 9 October iron general plant, and power station construction. In addition, they are vigorously accelerating modern housing construction in cities, rural villages, and in Pyongyang in particular.

Such construction projects are unprecedented in our country's construction history. They are large-scale construction projects promoted under our party's far-sighted plan and leadership.

Only when major construction projects and housing construction are positively accelerated and quickly completed, can our party's plan to further strengthen the might of our self-reliant economy and to provide the people with a more advanced and happier life be brilliantly realized.

The major construction projects and housing construction in Pyongyang are being more vigorously accelerated than ever before. To more rapidly accelerate such construction, pertinent domains and units should smoothly produce equipment and materials needed for it.

Very high is the spirit of our builders, who are currently engaged in construction, and who are vigorously waging the struggle to brilliantly fulfill the party's lofty plan, as well as the party's and people's high expectations. Only when equipment and materials are smoothly produced, can they more vigorously work in construction, create a new pace for the 1990's, and expedite the construction target pledged to the party.

What is now needed more at every construction site is equipment and materials. Bearing in mind that the success of all construction greatly depends upon the production of equipment and materials, functionaries and the working people at various domains of the national economy should more vigorously wage the struggle to give priority to producing equipment and materials needed for construction. To this end, all functionaries and the working people should, above all, take the attitude of being the masters who are responsible for construction along with builders.

The major construction projects, such as the Sariwon potassic fertilizer complex construction and the construction of 50,000 housing units in Pyongyang, are large-scale projects on which our party is pressing ahead for the people. Thus, vigorously accelerating our party's large-scale construction plan is an honorable and rewarding work for all our people. All functionaries and the working people and, above all, the functionaries and the working people at domains and units producing equipment and materials needed for construction, should take the attitude of being the masters who are personally responsible for the entire course of construction along with builders. In addition, they should responsibly carry out their assigned tasks.

Believing in our own strength and settling all issues with it is the consistent principle which our party has maintained in the revolutionary struggle and in construction work. The functionaries and the working people, who are assigned the work of producing equipment and materials needed for construction, even though they are faced with arduous and difficult tasks, should more highly display the revolutionary spirit of settling all issues with their own strength.

The production potential for our country's socialist self-reliant economy is great. In recent years, a large number of great monumental creations have been constructed brilliantly with our equipment and materials. This is because equipment and materials, which are needed for construction, have been produced with our own strength on the firm base of already established economic foundations.

Functionaries and the working people at pertinent domains should more firmly arm themselves with the chuche idea, and highly display the revolutionary spirit of self-reliance. By so doing, they should put production facilities at full operation, manufacture what is lacking, and seek out more of what is in short supply.

Builders and the KPA soldiers, who are now engaged in the Sariwon potassic fertilizer complex construction, are positively struggling to set up a calcinator as soon as possible and to expedite its operation.

Builders engaged in the construction of power stations, including Namgang power station, are vigorously struggling to expedite their completion.

Builders engaged in housing construction in the capital, including Tongil Street, are vigorously struggling to completely fulfill the construction tasks pledged to the party within the fewest days possible.

The issue of producing equipment and materials needed for construction is important.

The Yongsong machine general bureau, the Taean heavy machine complex, the Pukchung machine complex, the 28 September plant, which are all assigned the work of producing equipment and materials, are concentrating greater efforts on producing machine facilities of various types and valves which are urgently needed for operating and completing major construction projects and housing construction. By so doing, they should send the equipment and materials to appropriate construction sites in a timely manner. Along with this, the building materials industry and the metal industry should give priority to producing cement and iron materials, and provide them for major construction projects and housing construction sites.

The building materials industry should effectively use the production bases for building materials that have been established by their own strength. They should organize and manage production. By so doing, they should in a timely manner produce various materials needed for completing housing constructions in the capital, including Tongil Street.

It is important to give priority to transportation in producing equipment and materials. No matter how much equipment and materials needed for construction may be produced in various sectors of the national economy, if they are not transported to construction sites in a timely manner, construction may be hindered.

By reasonably organizing railway transportation, water transportation, and automobile transportation, transportation sectors should transport cement, iron materials, and other equipment and materials to construction sites.

To give priority to producing equipment and materials needed for construction, it is imperative to organize and command production. Without a correct organization and command, it is inconceivable to smoothly produce equipment and materials needed for construction.

By properly organizing and commanding production, including planning work, equipment production work, labor distribution work, and equipment management work, economic guidance functionaries at pertinent domains should normalize production at a high level.

In particular, on the basis of sternly setting up a system and order as required by the Taean work system; on the basis of strengthening planning discipline, labor administrative discipline, and production discipline; and on the basis of giving priority to developing technology, and to improving economic efficiency and the quality of production goods, functionaries should organize economic work responsibly.

The party organizations at every level of the pertinent domains of the national economy should deeply continue to explain and propagandize to producers the meaning and importance of giving priority to producing equipment and materials. By so doing, they should prompt the producers to give impetus to producing equipment and materials needed for construction, with high loyalty to the party and the leader, with the revolutionary spirit of self-reliance and fortitude, and with the vigor of the great Chollima upswing period.

Let us all uphold the great leader Comrade Kim Il-song's New Year address and the lofty intention of the party. Let us all create a new pace for the 1990's in constructing the great monumental creations of the era of the Workers Party of Korea by accelerating the production of equipment and materials needed for construction, and by providing them for construction sites in a timely manner.

Kim Chong-il, Three Transformations Lauded

SK1103111091 Pyongyang KCNA in English 1013 GMT 11 Mar 91

["Transformation of Nature, Man and Society"—KCNA headline]

[Text] Pyongyang March 11 (KCNA)—NODONG SINMUN Sunday came out with an article entitled "Validity of Our Party's Idea and Theory on Transformation of Nature, Man and Society."

The author of the article said:

Dear Comrade Kim Chong-il in his recently published works scientifically expounded the essence of the three transformations and their historical order on the basis of the principle of the chuche idea and gave again a profound exposition of the basic strategic lines of our party for carrying them out.

The dear leader Comrade Kim Chong-il said:

"Transformation of nature, man and society represents the three aspects of human activities for independence."

Dynamic promotion of the three transformations is an essential requisite to successfully building socialism and communism by satisfying the demands of the masses for independence.

Communist society is a society where the masses are the true masters of nature, society and themselves. In order to build this ideal society, it is imperative to transform nature, man and society. These three undertakings constitute the strategic task of the building of socialism and communism.

Our party's idea and theory on promoting the three undertakings by strengthening the people's government and pushing ahead with the ideological, technical and cultural revolutions are just, first of all, in that they explain in a deep-going way that the strengthening of the people's government and the fulfilment of the three revolutions are the basic way of completely realising the people's independence in transformation of nature, man and society.

The people's demands for independence in the transformation of man and nature are fully met through the ideological, technical and cultural revolutions.

Strengthening the function and role of the people's government amd pushing ahead with the three revolutions is the main factor of full realization of the people's independence in the transformation of nature, man and society and the basic way of successfully carrying out the three undertakings in the building of socialism and communism.

The justice of our party's idea and theory on this matter also lies in that they scientifically explain that increasing the function and role of the people's government and dynamically promoting the three revolutions is the revolutionary mode of succeeding in the three undertakings in the building of socialism and communism.

In socialist society, transformation of man and nature is carried out in a new mode fundamentally different from the struggle against the exploiting classes and system.

In this society, the transformation of society is conducted not in the reolutionary way of overthrowing the old exploiting system and establishing a new social system like in the socialist revolution, but by means of consolidating the already established socialist system.

The people's government in socialist society consolidates the social relations in accordance with the communist demands and plays the function of social transformation by steadily increasing the position and role of man in society. Therefore, increasing the function and role of the people's government is the main mode of transforming society in the building of socialism and communism.

As seen above, strengthening the people's government and making the three revolutions is the basic way of fully realising the people's independence and the main mode of carrying out the three undertakings in the building of socialism and communism and, accordingly, the basic way of successfully promoting the transformation of nature, man and society, the strategic tasks of the building of socialism and communism.

Daily Comments on 'Advantages' of Socialism

SK1203115591 Pyongyang KCNA in English 1031 GMT 12 Mar 91

[Text] Pyongyang March 12 (KCNA)—NODONG SINMUN today carries a by-lined article entitled "Our Socialism Is Superior Social System Which Guarantees Independence of People."

The article says:

The dear leader Comrade Kim Chong-il in his works published recently gave an overall exposition again of the advantages of our socialism and explained that it, above all, successfully meets the independent desire of man. The dear leader Comrade Kim Chong-il has said: "Our people know clearly through the wretched colonial slavery of the past and through the free and worthwhile, new socialist life of today that only socialism guarantees independence of the people and infinitely value our socialism which thoroughly defends the independence of the popular masses and devote themselves body and soul to defending it." Man is a social being with independence. How to realize the independent desire of the working masses constitutes a practical yardstick determining the character of a social system and its advantages.

The advantages of our socialism which meets the independent desire of man lie, first of all, in thoroughly ensuring the socio-political independence of our people.

In our country the socio-political independence of the popular masses is firmly guaranteed by the efforts to defend the socialist ownership of power and means of production and steadily strengthen and develop it.

Ordinary working people are taking an active part in state administration as masters of the state and society and everybody exercises the rights to elect and to be elected, irrespective of sex, occupation, property status, education, political views and religious beliefs.

The economy is managed and operated and steadily developed in a planned way to meet the requirements and interests of the popular masses as the unitary socialist ownership of the means of production is predominant.

Our people, embraced in certain political organizations including the party and working people's organizations, freely take part in socio-political activities and are fully guaranteed freedom of speech, the press, assembly and demonstration.

The advantages of our socialism which meets the independent desire of man are also manifested in the fact that it enables our people to free themselves from the fetters of nature and outdated ideas and culture.

Socialist construction in our country has been pressed forward under the banner of the three revolutions, ideological, technical and cultural, with the result that the working masses enjoy a more independent and creative life and the remains of the old society are being eliminated in all realms of social life.

Our socialism not only realizes independence of the popular masses but also firmly guarantees it. To defend independence of the masses on the principle of self-reliance in national defence constitutes an important advantage of our socialism.

Our people have firmly built up the self-reliant defence forces by thoroughly implementing the party's military line of self-reliance in defence and are able to repulse any aggressive moves of the imperialists and firmly defend the independence of the country and the nation. This is an important factor that guarantees the invincibility and bright prospect of our socialism.

By thoroughly applying the chuche idea under the guidance of the great leader and the great party our people will add lustre to our socialism and accomplish the revolutionary cause along the road of socialism no matter which way the wind may blow and no matter what trials may crop up.

Daily Views Theory on Ideology of People

SK1003053791 Pyongyang Domestic Service in Korean 0012 GMT 18 Feb 91

[NODONG SINMUN 18 Feb special article: "Our Party Is the Great Guide Leading the Revolution and Construction to Victory, Grasping Ideology as a Basis"]

[Text] Our party which carries out the revolution, taking the chuche idea as its firm guiding principle, always advocates the theory on ideology. The theory on ideology is the great political philosophy to which our party consistently adheres. Our party carries out its party building and party activity based on the principle of the theory on ideology, and leads the revolution and construction by thoroughly embodying the theory on ideology. Herein lies the greatness of our party's politics and the wisdom of its leadership.

The party of the working class is the political leader [chongchijok yongdoja]. The party has the political philosophy which becomes the primary guiding principle in carrying out its political activity, its revolutionary activity. The party's political philosophy not only regulates the character of the party, but also determines the way and might of its politics. Only the party which has great political philosophy can correctly organize and mobilize the popular masses, and can successfully carry out its revolutionary activity. Our party takes the theory on ideology as its political philosophy.

The dear leader Comrade Kim Chong-il has indicated: "We advocate in the theory on ideology that the people's ideology becomes the basis in the revolutionary struggle and construction projects and that everything is determined by the people's ideology."

The theory on ideology is the principle that the people's ideology becomes the basis in the revolutionary struggle and construction, and that everything is determined by the people's ideology. This is based on the scientific analysis of the people's inherent characteristics and the role of ideological consciousness in the people's activity. As the chuche idea indicates, ideological consciousness plays a decisive role in the cognitive activity and the practical activity of people.

People's activity reflects a certain material world, but the role of their consciousness is not limited to reflecting and reacting to the material world.

In the basic structure of all thought and activity lies ideological consciousness. Only when people have independent ideological consciousness can they carry out the consciousness activity to conquer nature, and actively wage the struggle against the oppressors who infringe upon independence. How hard can people struggle for the interests of their classes, the interests of the revolution? How can they display their strong will and strength in their revolutionary struggle? These questions are eventually the question of ideology.

The revolution is a movement of consciousness. Therefore, the revolutionary struggle and construction projects should always grasp the people's ideology as their basis. The material factor plays a great role in the revolutionary movement, but how we utilize material conditions depends on the people's conscious activtiy. Material conditions can be rapidly provided or not depending upon how the people carry out their activity. Therefore, when people grasp ideology as the basis, all problems which arise in the revolution and construction can be properly solved.

The theory on ideology is the political philosophy that can be presented and thoroughly embodied only by our party which is actively taking the chuche idea as its guiding principle. The chuche idea is the life of our party and is the foundation for party building and activity. As it has advanced forward, holding aloft the banner of the chuche idea, since the first day of its founding, our party has been able to vigorously carry out its revolutionary activity and political activity, grasping ideology as a basis.

That our party has vigorously led the revolution and construction straight to the road of victory today with its invincible leadership ability and without the slightest degree of deviation, is because it has firmly grasped and adhered to the theory on ideology.

The theory on ideology has been thoroughly embodied in all political activities of our party, that is to say, its revolutionary activities. Grasping ideology as a basis, our party has realized the party ranks' organizational and ideological consolidation, and ensured its political leadership in society. For our party, the theory on ideology has become an inherent way of activity, and it has become a basic key with which our party can completely solve all problems which arise in the revolution and construction.

Most of all, our party is thoroughly embodying the principle of the theory on ideology in establishing and fulfilling the line and policy to successfully carry out the revolution and construction.

The basis of party activity is to establish a correct line and policy. The party's line and policy must be correctly prepared and presented so that the revolutionary struggle and the construction work can successfully progress according to the accurate direction and method.

Based on the chuche idea, our party is establishing all lines and policies according to the intention and demand of the popular masses and the fundamental principle of the revolutionary struggle.

What is important here is the need to present the line and policy under the principle of firmly giving priority to ideological remolding.

From the method in giving priority to the ideological revolution in carrying out the three revolutions—ideological, technological, and cultural—which our party is adhering to through the general line; the method in regarding the remolding of man as most important in realizing the remaking of nature, the remolding of man, and social reform; and to the theory of thoroughly guaranteeing the party's leadership in the revolution and construction, the principle of the theory on ideology are embodied in all lines and policies.

It is on the basis of a scientific analysis of the great role of ideological remolding in socialist construction that our party gives definite priority to the remolding of man and ideological remolding, in working out its lines and policies.

The fundamental purpose of the party's revolutionary activity is to successfully construct socialism. It is a clear fact to everyone that socialism can be constructed when productivity is developed to produce a large amount of materialist wealth.

Nevertheless, however high the level of productivity is and there is abundant materialistic wealth, if the masters of society, the people, are not remolded, socialism cannot be constructed successfully.

The greatness of the party's politics ultimately depends upon how the remolding of man is carried out. In essence, the remolding of man is the ideological remolding. Ideology determines the person's value and personality, and what is most important in remolding man is the ideological remolding.

The ideological remolding is a serious revolution. This is a much more difficult work than the work of changing the material life of the people or the work to enhance their cultural and technological level.

Therefore, the lines and policies must be prepared under the principle of giving priority to the remolding of man and the ideological remolding so that the revolution and construction can be advanced vigorously without the slightest deviation or complication.

Our party's lines and policies are the most revolutionary and scientific, and serve as the single correct guideline for the victorious building of socialism because they embody the principle of giving priority to ideological remolding.

Our party also successfully solves all problems in the revolution and construction by setting in motion the ideology of the people.

As the revolution and construction are made by the people, their success ultimately is dependent on how the work with the people is done.

The work with the people is, in its essence, political work, and is work with the people's ideology.

The people's voluntary enthusiasm must be enhanced as masters of the revolution by giving priority to the political work, so that the superiority of the socialist system can be highly displayed and vigorously pushed forward to construct socialism.

If one fails to mobilize ideology and tries to find another way, one would eventually resort to capitalist ways which have nothing to do with socialism and then, this will bring about an irrevocable consequence in the socialist construction.

Our party always leads the revolution and construction through the revolutionary method, party method, and political method which is based on the organizational and political work with the people.

To carry out the work through the party method and the political way is to give priority to the political work so that the party's intention can be known and acknowledged to the people through explanation and persuasion. Doing so makes the people carry out the work by themselves.

The ideology of the people cannot be moved by using the method of order and indication or by enhancing materialistic interest.

Our party combines the party's leadership with the revolutionary mass line and gives full play to the revolutionary zeal of the masses by placing political work before all other work, by highly upholding the slogan "Serve the people," which was put forth by dear leader Comrade Kim Chong-il.

This kind of party leadership makes it possible to deepen the popular masses' support and trust toward the party, and also makes it possible to create peerless popular heroism and feats in socialist construction.

If it relied only on the people's skills and production facilities without mobilizing their revolutionary zeal and creativity, our party would not have been able to unfold the kind of daring operation which made the people of the world marvel and would not have been able to carry out in such a short time the large-scale and enormous tasks of constructing the Sohae Flood Gate which blocks the 20-ri open sea, the Sunchon vinalon complex, and the 2,000-ri waterway construction.

Our party's leadership which pushes forward the revolution and construction by mobilizing the people's ideology, is great, and this becomes the powerful source of strength which endlessly elucidates the era of the Workers Party of Korea.

Our party is carrying out revolutionary activities amid difficult circumstances. In fact, it is not easy for our country to carry out the revolution and construction of its own style by relying on its own strength, since our country is in a state of division and is under the condition where the imperialists' aggressive maneuvers are endlessly being committed.

However, under the banner of the chuche idea, our party believes in the people's ideology and when this is mobilized, it firmly believes that there is nothing to be afraid of in this world, and that there is nothing that cannot be carried out. Therefore, our party is always adhering to the theory on ideology.

Because of this, all activities of our party are being successfully carried out amid the support of the masses and in accordance with their high revolutionary zeal. Also, in our country, the revolution and construction are being endlessly advanced.

The theory on ideology can be successfully effected only by a revolutionary party of the chuche type which works to carry out the revolution and construction, believing in the people and relying on their strength.

Our party's traditional principle on its activities is to regard the popular masses as the masters and teachers of the revolution, and to let them take the lead. Therefore, our party is carrying out the consistent politics of absolute faith and love towards the people.

Our party's politics are to have faith in the popular masses and to rely on the popular masses. It is also a party which wholly takes responsibility and leads the fate of the popular masses.

The theory on ideology which was presented by dear leader Comrade Kim Chong-il embodies the position and great loving care and trust of a mother who values the popular masses as the masters of the revolution, and who takes utmost care of them. This is why our party's politics, strictly based on this theory, are great politics representing absolute trust in, and benevolent love of, the people, and highly displays its invincible attraction and vitality.

As it adheres to the theory on ideology, our party most of all becomes a political leadership body guiding the revolution by mobilizing the ideology and creativity of the masses and a great motherly party enjoying the support and trust of the population. Originally, the working class party is a political organization where the people gather and the focus of its work is the people.

The party carries out the revolution by relying on the people and by mobilizing the people's ideology, it carries out the difficult and complicated revolutionary task through its own inherent method of activity.

The working class party and the bourgeois party differ according to whether they adhere to the ideology fundamentally or whether they regard the material and economic relations as their basis.

In the bourgeois political party politics, the method of fostering the individual's material awareness and interest becomes the basis, but in the working class party, to mobilize the ideology becomes the method of activity, which is in accordance with the intrinsic demand.

First, the revolutionary method to which the communist revolutionaries adhere, is enhancing the ideological consciousness to solve all the problems.

The communists who are struggling for the people's freedom and happiness are awakening and making the people conscious so that they are able to accelerate the struggle by themselves, thus carrying out their noble mission.

It is important for the party to carry out its political activity which is in accordance with this kind of intrinsic method of the communists.

Our party, by grasping and adhering to ideology as its basis, has become a leading political organization both in name and in reality. Our party's leadership is the political leadership. Our party has defined as its primary principle to grasp and adhere to the work with people, and to realize the party's leadership in the revolution and construction. Our party exercises its leadership in such a way as to guide the revolutionary struggle and construction projects through policies and to set people in motion through political work, the work with people.

Our party, by prescribing the party committee of a unit as the highest guiding organ of the unit, and by guranteeing collective guidance in the activity of the party committee, correctly combines the unitarity of political guidance in all fields of the social life with the democratic initiative of the masses. The relationship between the party and the masses is not only the relationship of exercising leadership and being blessed with leadership, but is also the relationship of exchanging their lives and looking after and entrusting their destiny. The relationship between the party and the people becomes solidest and most mighty when the party treasures and warmly loves the popular masses as their mother.

By putting the popular masses in the center of all activities, and by making the overall party work become the organizational and political work of leading the people to enjoy rewarding lives and happiness as social human beings, our party has become the motherly bosom to which the people can entrust their destiny. By deepening its work with people, our party not only has led all lines and policies of the party to become the thoroughly independent and people-oriented lines and policies which reflect the aspiration and will of the popular masses, but has also inculcated the broad segments of the masses to accept these lines and policies as their own lines and policies.

That our party has strengthened by every means its leadership position, enjoying absolute support and trust from the popular masses, is because it has the great leadership which, firmly grasping working with the people, mobilizes their ideology. Reality shows that only when the party grasps and adheres to ideology as the basis, can it not only firmly realize its leadership in the revolution and construction as a leading political organization, but can also successfully carry out its revolutionary cause amid the support and trust of the popular masses.

By firmly adhering to the theory on ideology, the might of the united body of the leader, the party, and the masses, that is to say, the might of the main force of the revolution, has been strengthened by all means in our country. The party's leadership is a decisive guarantee for strengthening the main force of the revolution and for enhancing its role. It is precisely the party of the working class to lead the popular masses to become a mighty revolutionary main force which shapes their destiny independently and creatively, because the party of the working class makes the popular masses conscious, and organizes them. Only when the party grasps and adheres to ideology can it not only properly carry out the work of making the masses conscious and organizing them, but also vigorously pushing ahead with socialist construction on the strength of the powerful main force of the revolution.

The principle in our party's leadership is to give priority to arming the masses ideologically. Our party has firmly armed all the people with the chuche idea and firmly rallied them around the party and the leader in organizational and ideological terms and in terms of morality and ethics. Thus, our party has rallied the revolutionary ranks into one social and political organism. In our country today, the party and the leader firmly stand in the center of the revolutionary ranks, and the popular masses—who have surmounted all sorts of trials, while sharing their destiny with the party, in the course of the protracted revolutionary struggle—have firmly rallied around the party and the leader as one mind and one will.

Our people's inexhaustible creativity, which has been highly displayed in socialist construction, is based on the party's leadership awakening the masses to sincerely accept the revolution and construction as their own work. The strong driving force of our socialist construction is the popular masses' political and ideological strength, their voluntary enthusiasm, and their creative positiveness. Our people's collective strength which pushes ahead with socialist construction, that is to say, our people's mass heroism, has been highly displayed by the party's leadership which unifies individual interests and collective interests, and strengthens unity and cooperation.

Numerous great monumental edifices which have been built everywhere in the country, as well as the flames of a great revolutionary upsurge which is furiously burning on the road of the advance of the nineties, cannot be contemplated apart from the party's leadership which adheres to ideology.

Our proud reality where the popular masses' creative power is highly displayed shows clearly that the imperialists' admonishing words that the party's leadership curbs people's creative power is no more than sophistry. If we had failed to adhere to ideology and, instead, moved people with money or materials, we could not have firmly built the main force of the revolution nor could we have vigorously pushed ahead with socialist construction by highly enhancing the revolutionary zeal and creative power of the masses.

By waging its revolutionary activities with main stress on ideology, our party has also extensively enhanced the superiority of our own style of socialism. Socialism is a society created by the popular masses with a goal in mind. In the course of socialist constuction after the working class has seized power and established the socialist system, the role of ideology and consciousness is to be incomparably enhanced. Capitalism relies on the discipline of hunger and clubs, but socialism relies on people's high self-awareness.

The essential superiority of the socialist system finds expression in the fact that all people demand to live independently and creatively, forming one social and political organism and sharing fate with each other. Therefore, the problem of enhancing the superiority of the socialist system is not related to the socialist system itself, but is also closely related to the ideological, cultural, and political level of the popular masses, who are the masters of this social system. The superiority of this society can be fully enhanced only by people who have been firmly armed with the revolutionary ideology of the working class.

No matter how superior socialism may be, if the people—who are the masters of this society—fail to have the advanced ideology suitable to society, as well as the ability and experiences which can skillfully manage and operate it, they cannot enhance the superiority of socialism. Our own style socialism which takes the chuche idea as its ideological basis is a genuine society for the people in which everything serves the people. It is also a most viable society which is constantly developing on the firm foundation of self-reliance, and self-reliant defense.

Today, our party is developing our society, with main stress on ideology, in conformity with the inherent demand of the socialist society of our own style, and with the inevitable demands of the development of the socialist society. Our party has fostered people, the masters of the society, to become genuine communist revolutionaries of the chuche type and has managed and operated the socialist system through collectivist ways.

If we are negligent in ideological work, bourgeois ideology may spread into our society, and the foundation of socialism may be shakened. This is also the principled stand of our party. Proceeding from this, our party has strengthened political and ideological work among the masses, and has vigorously waged the struggle for making all members of society revolutionary, and assimilating them into the working class. As a result of this, the ideological and mental appearance of the people is being rapidly reformed into the appearance of the working class, and revolutionary principles have been firmly adhered to in all fields of the society—economic, cultural, and social.

Socialism of our own style is a society in which all people as the masters of the society firmly unite with each other, and have formed one single social and political organism. Firmly believing our people, our party resolves all problems by mobilizing their ideology. In this way, our party is today building a society in which collectivism—under which people live, helping and leading each other, one for all and all for one—has been embodied, and a genuine socialist society in which unity, cooperation, and harmony are thoroughly guaranteed.

Had our party turned human relations into those between goods and money, by regarding men as nothing more than ones who are pursuing personal desire instead of ones with independent ideology and will, and by regarding the material stimulation as being absolute, it would have been impossible to build a socialism of our era suitable to the human nature of socialist men, or to turn society into a great united, harmonious home in which everybody helps and guides others on the basis of the collective principle.

The further the revolution and construction advance, the more the theory on ideology to which our party has consistently adhered, proves its indomitable vitality.

Our party has now become a tested revolutionary party full of militant verve which always guides the people to victory under any adverse circumstances, enjoying high authority and honor as the tested staff office of the Korean revolution, enjoying the support and trust of the entire population.

The greatness of the party stems from the greatness of the leader [yongdoja] and the greatness of the leader lies in the greatness of the ideology. The great leader Comrade Kim Il-song who has sagaciously guided our party in the entire course of building our party over the past six decades on the basis of the chuche idea stands, invariably, at the head of the party, and our party center is now sagaciously leading the party-building cause.

It is our party's firm intention to carry out the chuche cause of party building by firmly adhering to the theory on ideology, and by brilliantly bringing the chuche revolutionary cause to perfection. As long as it upholds a great leader and retains its own great political philosophy, our party is capable of carrying in itself the invincible might forever, while vigorously leading the revolution and construction on a single-track, ever-victorious road.

The chuche-type communist revolutionaries are the ideologues to the core of their minds. The Korean revolutionaries are the people who, attracted to the greatness of the leader, are carrying out the revolution with their minds burning with faith and a sense of obligation, regarding the leader's ideology as the source of life.

Our chuche-type revolutionaries have learned from their long experience that when they struggle with a high degree of ideology and will, as well as with a revolutionary spirit, they can create the world-renowned miracles and great victory in the revolution and construction.

Without the death-defying determination and the indomitable revolutionary spirit to struggle shoulder to shoulder with the great general, it is impossible to think of the fact that we have realized the cause of national liberation after defeating with our bare hands the powerful 1 million-strong Japanese imperialists who were armed even to the teeth. Without the high degree of revolutionary spirit and iron-clad will of our people, who believev that they will triumph without fail if they are under the guidance of the party and leader, it is impossible to think of the fact that we have built a powerful socialist state of independence, self-reliance, and self-defense on the heap of ashes after defeating the U.S. imperialists who talked big about their being the world's strongest.

Ideology is the base on which every decision is made—this is the revolutionary conclusion of our party which has been ever-victorious even in the course of an arduous struggle. It is also a faith that our chuche-type communist revolutionaries have hardened in their hearts, in the course of sharing the same fate with the leader.

Our guiding ideology is great; our party's politics are wise; and our people's ideological determination is firm and unwavering.

It is an unshakable will and faith of our party to uphold the party and leader with their faith and sense of obligation, and to go the distance of tens of millions of li following the great leader and the party.

Our people foresee the eye-dazzling future of the fatherland in the party center's leadership, and are convinced that they can consummate the chuche cause if they are under the party center's leadership.

Only victory and glory will be in store for our party, which is now leading the revolution and construction on the strength of the absolute support and trust of the popular masses under the banner of the chuche idea.

KCNA Review of 12 Mar Pyongyang Press

SK1203054291 Pyongyang KCNA in English 0509 GMT 12 Mar 91

[Press review]

[Text] Pyongyang March 12 (KCNA)—Papers here today frontpage a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Governor-General Veerasamy Ringadoo and Prime Minister Aneerood Jugnauth of Mauritius on the occasion of the 23rd anniversary of the independence of Mauritius.

Appearing in the press are a letter of the great leader President Kim Il-song to fourteen tractor drivers of the family of Pak Chong-kuk and Chong Yon-hwa of the Yongho branch farm of the Yongyon County integrated farm in South Hwanghae Province and an account of a meeting held to convey the letter and gifts.

Carried in NODONG SINMUN is a report that solidarity letters came to President Kim Il-song from various countries in support of the new proposal for national reunification advanced by him in his New Year address.

Works of dear Comrade Kim Chong-il were carried by foreign newspapers, says the press.

Conveyed in NODONG SINMUN are words of South Korean people highly lauding Comrade Kim Chong-il as a great master of art who has brought art of chuche into full bloom.

The Malagasy paper IMONGO VAOVAO carried an article explaining "The Workers' Party of Korea Organizes and Guides All the Victories of Our People," a work of Comrade Kim Chong-il, says the paper.

The paper deals with the solicitude shown by Comrade Kim Chong- il for the Naeho Cooperative Farm in Pyoksong County, South Hwanghae Province.

According to the press, preparations for spring sowing are being stepped up on cooperative farms and a load operation of the albuminous fodder factory of the Sunchon Vinalon Complex began.

"Our Socialism Is Superior Social System Which Guarantees Independence to People" and "People's Government Is Mighty Political Weapon of Socialism of Our Style" are the respective titles of NODONG SINMUN and MINJU CHOSON articles.

Given in the press is an account of the sojourn of the Angolan party and government delegation in Pyongyang.

The Guyanese president met the DPRK ambassador and the DPRK ambassador to Niger paid a farewell call on the president of that country, says NODONG SINMUN.

Papers give accounts of the second round of full-dress intergovernmental talks for normalizing DPRK-Japan diplomatic relations held in Tokyo, a news briefing given by the head of the DPRK Government delegation on the first day meeting of the second round of the talks, and the meeting of the Japanese foreign minister with the DPRK Government delegation.

The press reports that the DPRK swept all the medals at stake in the six kilometres women's race at the First Asian Cross Country Championships held in Fukuoka, Japan.

An article of NODONG SINMUN says that the creation of a peaceful climate is a most pressing question for Korea's reunification.

MINJU CHOSON comes out with an article titled "'Team Spirit 91' joint military exercises are a war game against the North" contributed by a military analyst Kim Hong-sik.

The press allots much space to voices at home and abroad and articles denouncing the exercises.

South Korean news columns of the press include reports about demand of opposition parties and people of different strata for a probe into the Suso housing scandal and their rejection of authorities' plan to hold "divided local assembly elections".

NODONG SINMUN runs a commentary denouncing the utterances of the U.S. delegate at the U.N. Human Rights Commission taking issue with us over the "human rights problem".

According to the press, the Iranian president demanded the withdrawal of foreign forces from the Gulf, and Marshal of the Soviet Armored Unit Oleg Rosik in his article published in KRANSNAYA ZVEZDA underlined the Soviet military principle.

Papers observe independence day of Mauritius.

NODONG SINMUN introduces building of a new society in Laos, Thailand, India, Indonesia, Malaysia, Singapore, Nepal and the Philippines.

The paper prints an article on world-wide problem of waste destroying environment.

South Korea

New Envoy to U.S. on PRC's Stance on UN Entry

SK1103143191 Seoul YONHAP in English 1414 GMT 11 Mar 91

[Text] Seoul, March 11 (YONHAP)—Newly-designated South Korean Ambassador to the United States Hyon Hong-chu said Monday he had a hunch that China would no longer offhandedly veto Seoul's bid to join the United Nations unilaterally.

Hyon said, in a press conference after he received President No Tae-u's credentials, "When I was serving with the mission in the United Nations, I got an impression that China was taking count of the opinion in the international community in making decisions. China places emphasis on cooperation with others."

Hyon, who worked in the U.N.-based mission for nine months since last June, said that he believed China would feel it undesirable to veto South Korea's bid to join the world body now in view of the growing support of world countries for it.

"China may persuade North Korea into entering the United Nations along with South Korea. It is the most likely scenario," Hyon said.

He explained that the government did not apply for the unilateral U.N. membership last year not only because of China's position but because the issue was then being discussed in the inter-Korean prime ministers' conferences. "This has been widely admired in the world community," he said.

Hyon said, "I'm glad to see the international climate has become even better than last year for our U.N. membership."

Touching on Korea-U.S. relations, Ambassador Hyon said South Koreans have lost confidence from Americans at the government level as well as in the business sector.

"I felt that an early-warning system designed to prevent frictions between Korea and the United States worked well but the message was not reflected properly in our government's policy," said Hyon, who is to fly to Washington on Friday. He denied that Seoul's rapid rapproachement with Moscow might have led to the dampening of its relations with Washington.

Leningrad's Mayor Views Moscow Demonstrations

SK1103133291 Seoul YONHAP in English 1307 GMT 11 Mar 91

[Text] Seoul, March 11 (YONHAP)—Anatoliy Sobchak, mayor of Leningrad, Monday accepted the massive anti-government demonstration Sunday in Moscow as "a part of democratization movement aimed at pressing President Mikhail Gorbachev to handle things through democratic process."

Commenting on the political turmoil in his country during a debate in a seminar here, the Soviet leader said, "The demonstration was neither an expression of objection to Gorbachev as an individual nor a show of support to (Russian President Boris) Yeltsin but a very positive phenomenon accruing from public opposition to the conservatism and right wing."

He made the remarks after delivering a key-note on "the political situation in the Soviet Union and ways to promote cooperation between Seoul and Leningrad."

Asked to comment on the reported Soviet loss of its influence over the Eastern European countries, he said, "The loss is not surprising in view that the era has gone when one country can exercise its influence over the other. Hasn't this been conducive to the unity of Europe?"

His view contradicted that held out by another leading Soviet official, Lev Spiridonov, president of the official TASS news agency, on the same day.

Talking with South Korean Speaker Pak Chun-kyu during his courtesy call on the latter, Spiridonov reportedly criticized the anti-government demonstration, saying, "Some people try to take the problems to the streets. Such an act is not good for the national stability."

Spiridonov also said, "The Soviet Union does not have any alternative to Gorbachev. He is the only national leader who can settle the pending issues."

Sobchak and Spiridonov are now visiting Seoul at the invitations of the Seoul city government and YONHAP news agency, respectively.

Soviet's Spiridonov on Visit With Pak Chol-on

SK1203112691 Seoul YONHAP in English 1046 GMT 12 Mar 91

[Text] Seoul, March 12 (YONHAP)—Lev N. Spiridonov, director general of the Soviet official TASS news agency, on Tuesday paid a courtesy call on Sports-Youth Minister Pak Chol-on and exchanged views with the known architect of South Korea's northern policy on bilateral exchanges of sports and youths between the two countries and inter-Korean exchanges.

Spiridonov proposed in the meeting that Seoul and Moscow expand bilateral exchanges not only in sports but also in economic and cultural fields.

Pak told the visiting Soviet official that he was planning to visit Moscow in May at the invitation of the Soviet Sports Ministry.

Spiridonov arrived in Seoul Friday for a week-long stay at the invitation of YONHAP news agency.

PPD, DP To Cancel Nationwide Protest Rallies

SK1203075891 Seoul YONHAP in English 0613 GMT 12 Mar 91

[Text] Seoul, March 12 (YONHAP)—Kim Tae-chung's Party for Peace and Democracy (PPD), bowing to a ruling by the Central Election Management Committee, has called off nationwide rallies to denounce the Suso housing scandal, a party spokesman said Tuesday.

"The PPD, as a responsible and authorized party, has decided to abide by the ruling of the Central Election Management Committee (CEMC) that across-the-country rallies are against the Election Law, and will therefore replace the planned rallies with indoor unity gatherings in PPD district chapters, leaving a legal dispute over the justifiability of the CEMC ruling behind," he said.

Beginning in Songnam and Suwon Thursday, unity gatherings will be held in Kuri and Tongduchon (March 15), Inchon and Anyang (March 16), Pohang and Ulsan (March 18), Kwangmyong and Kunpo (March 20) and Kongju (March 21), he said.

Meanwhile, Democratic Party President Yi Ki-taek said, "our party has decided to call off rallies in the six biggest cities, acceding to the CEMC demand."

His party would not interfere in the March 26 local elections or exploit loopholes in the Election Law, he told reporters at party headquarters in the morning.

"We are deeply angered by the vicious intention of President No Tae-u in holding separate large- and small-district elections to hide from the Suso scandal, but we decided not to interfere in local autonomy because, as a political party, we should not deal with the elections in an expedient manner," he said.

Various Organizations Move To Boycott Polls

SK1203005291 Seoul THE KOREA HERALD in English 12 Mar 91 p 3

[Text] An increasing number of student activists and religious organizations are joining the campaign of dissident politicians to boycott the March 26 local council elections.

Declaring their participation in the campaign, they supported the dissident politicians' claim that the coming election was a ruling party "plot to cover up" the Suso land scandal by diverting popular attention away from the scandal to the vote.

The students activists and religious organizations also said that they would take part in a nationwide rally planned by Kungmingyonhap, a dissident organization, this Saturday in Seoul.

They said that they plan to elevate the election-boycott drive to a nationwide popular campaign calling for reinvestigation of the Suso scandal and punishment of the "real masterminds" of the scandal.

Unexpectedly boosting the morale of the students, some 50 college professors yesterday issued a statement supporting the student movement.

In the statement, they said that they would boycott the March 26 elections and participate in the Kungmingyonhap rally this Saturday.

They are members of a nationwide fraternity of dissident college professors, called "a meeting of professors for the country's democratization." The organization claims 1,600 members from 75 universities and colleges across the nation.

The statement came at the end of a two-day, three-night sit-in denouncing the ruling party's "cunning scheme" to overcome its political crisis.

Major nationwide dissident organizations as Chonminnyon and Chonnohyop also announced their plans last weekend to boycott the coming elections and to launch a popular drive pressuring the government to reveal the truth behind the scandal.

Sochongnyon, an organization of student activists from Seoul colleges, yesterday announced that they would focus their campaign on opposing the separate timing of basic-unit and large-unit local assembly elections until this weekend then shift the campaign into a drive demanding the resignation of President No Tae-u on the occasion of the Saturday's Kungmingyonhap rally.

Some student activist organizations are targetting their campaigns at both the ruling party and the main opposition Party for Peace and Democracy [PPD].

They accuse the main opposition party led by Kim Tae-chung of being the ruling party's "accomplice" as the PPD has decided not to boycott the coming election.

Some 200 student activists attempted to disrupt the PPD-organized rally last Saturday at Poramae Park in southern Seoul by shouting such anti-PPD slogans as "The PPD, the accomplice of (the ruling party's) plot to cover up the Suso scandal, blow itself up."

Significance of Seoul Council Election Viewed

SK1203074891 Seoul WOLGAN CHOSON in Korean Mar 91 pp 290-299

[Article by Yi Yong-sik, political writer for the SEGYE ILBO, entitled "Preliminary Skirmish for the Presidency—The Seoul City Council Election"]

[Text]**The Symbolism of the Seoul Assembly**

Thirty years after the 16 May Incident [the near-bloodless coup led by Major General Pak Chong-hui against the government of Chang Myon], the local autonomy system is being revived. This system will lead to enormous changes in all fields of Korea, especially in the existing political world, where the general perception is that far-reaching, fundamental changes will be affected by the local autonomy system.

With the local council elections in sight, the political world is paying close attention to the repercussions caused by the local autonomy system while busily preparing countermeasures to deal with the system's effects. Although there are some indications that the local council elections scheduled to be held toward the end of March will be delayed, each of the ruling and opposition parties are already making full-scale preparations to activate organizations to manage the election.

An all-out war is expected to be launched within the political circles during the local council elections. Not only are these elections the starting point for pure grass-roots democracy in Korea, but the elections themselves are inseparably and closely related to the crux of politics, the question of who will be the next president. Currently, there is no clear feeling regarding President No's successor. With the local council elections taking place within such a situation, there is no doubt that the results of the elections will be indicative of the competition for the presidency. Additionally, the issue of a need for a change of generations or a weeding out of the political world will be widely addressed in the elections. The elections could be a signal calling for a restructuring of the political arena in order to overcome the estrangement of the current political situation, reflecting the political demands of the citizens.

There are many predictions emerging from the various public opinion polls concerning the local council elections. It appears certain that the regional sentiment which appeared in the 16 December 1987 presidential election and the 26 April 1988 General Assembly election remains intact, with the ruling party strong in the Yongnam region and the Party for Peace and Democracy [PPD] strong in the Honam region. Thus, the results of the Seoul area elections, unrelated to nationwide voting trends, cannot help but have important significance. Not only is Seoul a massive "Independent Republic" with over one-fourth of the country's entire population and an annual budget exceeding 4 trillion won, but it will also best symbolically reflect the fluctuations in popular sentiment following the three-party merger.

Each political faction within the ruling and opposition parties is carefully examining and analyzing the functional relationship between the Seoul city local council election and the competition for the presidency within this context while developing their election strategy. The Seoul city election itself is far from small, with over 132 large district (city) assembly representatives and 779 basic (ku) council representatives being selected.

Results of Public Opinion Polls: "Favorable to the PPD"

In order to examine the influence that the Seoul city council elections will have on the presidential election, an attempt must first be made to roughly forecast how the Seoul elections will turn out. Like a living creature, it is hard to predict how the results of an election will turn out until the votes are counted. The 26 April [1988] general elections are the most recent proof of that. Not only are the upcoming elections the first local elections in 30 years, but the political situation itself, with the three-party merger and the changing alignment of opposition parties, connotates additional variables.

It is possible, however, to make a basic approach to trying to predict the outcome of the Seoul elections based on the two most recent elections and public opinion polls. Adding some additional important variables to this basis, then it is possible to infer a few different possibilities.

In the 16 December 1987 presidential election, No Tae-u received 30.1 percent of the vote in Seoul while Kim Yong-sam received 29.1 percent, Kim Tae-chung 32.1 percent, and Kim Chong-pil 8.2 percent. Out of a total of 6,486,710 eligible voters, 5,710,805 voted (a voting percentage of 88.1 percent).

In the 26 April 1988 general elections following the emergence of the Sixth Republic, the Democratic Justice Party [DJP] received 26.2 percent of the vote in the city of Seoul, while the Reunification Democratic Party [RDP] received 23.4 percent, the PPD received 27.0 percent, and the New Democratic Republican Party [NDRP] received 16.1 percent of the vote. As for the number of assembly seats won, the DJP obtained 10 seats (23.8 percent), the RDP 10 seats (23.8 percent), the PPD 17 seats (40.1 percent), the NDRP two seats (7.1 percent), with two independents (4.8 percent) also being elected. In a small district council election with one candidate per district, votes received will translate directly into assembly seats won. One can see that in both votes received and in number of seats won, the PPD leads in the Seoul area with the DJP, RDP, and NDRP following the PPD in order.

The political structure became completely transformed in January 1990 with the three-party merger. It is therefore difficult to predict just what effect this transformation will have on the voters' choices in the upcoming elections.

First, let us look at fluctuations in public opinion. According to a poll taken immediately following the merger (17 February 1990 CHOSON ILBO), 34.9 percent responded that they supported the Democratic Liberal Party [DLP], 17.9 percent the PPD, 20.1 percent the Democratic Party [DP], 4.0 percent the Party of the Masses [PM], and 15.2 percent said that there was no party which they supported.

Although the DLP leads the other parties, their support base has fallen to one-half of the combined strength of the DJP, RDP, and NDRP before the merger. Even support for the PPD has declined substantially. Thus the distrust concerning the existing political parties had already begun at the time of this poll in February 1990. This distrust is also interpreted to be the cause of the unexpectedly high level of support the DP received, having hoisted the banner in revolt against the three-party merger.

According to an 8 September 1990 poll (CHOSON ILBO), support for all parties had fallen, with 21.5 percent supporting the DLP, 17.7 percent supporting the PPD, and 12.5 percent supporting the DP. Some 36.2 percent responded that they supported no party. Thus a large amount of floaters developed, unaligned with any particular party. In subsequent public opinion polls there were some small fluctuations from the above figures, but overall a similar trend continues to be maintained.

The Floating Vote Will Determine the Election Outcome

When looking only at the Seoul area, the distribution of public support breaks down to 16.6 percent supporting the DLP, 18.4 percent the PPD, 17.9 percent the DP, 2.4 percent the PM, and 44.7 percent supporting no party. In the various public opinion polls conducted toward the end of 1990 (CHOSON ILBO, TONG-A ILBO, KYONGHYANG SINMUN), the average value across the nation showed 17.5 percent supporting the DLP, 19.3 percent the PPD, 17.5 percent the DP, 2.9 percent the PM, and 44.9 percent no party. In contrast to the fixed vote that the PPD has secured (15 to 20 percent across the nation), the DLP support base has fluctuated severely with the political situation. This shows the distinct characteristic of the DLP that should there be additional difficulties, then there could be an immediate exodus from the party.

Looking only at the number of respondents who positively expressed support for a particular party, it is evident that unlike the number of National Assembly seats, the three parties [DLP, PPD, and DP] are practically even. These results, while indicating that it is highly likely that the Seoul elections will be a three-way race between the parties, also signal that the direction of the floating vote will determine the ultimate outcome of the election.

The fluctuation in support for each of the political parties following the three-party merger is an important basis for predicting aspects of the local council elections as well. According to a recent public opinion poll (KYONGHYANG SINMUN 1 January 1991), only 18.1 percent of former RDP supporters followed Kim Yong-sam and supported the DLP, while 34 percent supported the DP and 37.5 percent responded that they supported no party whatsoever. Among the former NDRP supporters, 29 percent went to the DLP while 14.8 percent supported the DP. Former NDRP supporters who responded that they no longer supported a party totaled 44.5 percent.

Overall, even though the situation appears to be to the PPD's advantage and the DP's disadvantage based on the figures which emerged in the polls alone, it is possible for a three-way struggle to emerge between the DLP, PPD, and DP. Unlike the presidential and National Assembly elections, however, there is a great possibility that voting trends will center around individual personalities rather than political parties. It is still unclear as to what degree the opposition parties, unable to avoid an absolute numerical inferiority both in manpower and in financial resources, will be able to create a linkage between the expressed levels of party support and support for the individuals whom they nominate to run.

Personality or Party?: The Conflicting Outlook

Let us more concretely examine the various factors which will appear in the Seoul city council elections and their accompanying voting trends. The factor that is predicted to have the most effect on the results of the Seoul area elections is whether the voters place more priority on individuals or political parties.

The DLP is an enormous ruling party with 217 National Assembly seats. In spite of this, their party support base hovers around 10 percent. This is seen as being to the advantage of the DLP in a local election centered on personalities. The total mobilization of administrative power by the DLP to prevent the preelection atmosphere from heating up is related to this. The DLP hopes to make the local council elections center on personalities vice parties. This is because those individuals with the highest probability of being elected are pro-ruling party businessmen, together with the fact that at the local party chapter level, the DLP towers above the opposition parties in the areas of organizational power and candidates with personal financial resources.

In fact, over 80 percent of those hoping to be nominated by the DLP in the Seoul area are prominent individuals in their area with a strong regional support base. There are an extremely limited number of party officials and intellectuals hoping to be nominated by the central party to bring fresh air to the DLP. Outside of those individuals, however, the rest of the potential DLP candidates are blessed with a considerable amount of financial resources. Those candidates to whom the local party chairmen have privately consented, based on the recommendations of the central party, or whom they have promised to positively consider, include Choe Chong-kun (age 46, vice chairman of the Social Welfare Committee, Tongdaemun 4), Pae Chong-su (age 52, Rules Subcommittee of the Commerce and Industry Committee, Chungnang 6), Cho Mun-chin (age 48, vice chairman of the Resources Development Committee, Kangnam 6), Yi Sang-il (age 34, Policy Planning Department vice chairman, Chung-ku 3), Hong Tae-son (age 59, Songbuk-ku New Community Movement chairman, Songbuk 2), Kwon Chung-sop (age 58, Civil Liberties Rules Committee, Nowon 2), Kim Chong-su (age 53, Finance and Monetary Rules Committee member, Kwanak 3), and Sim Sang-il (age 59, vice chairman of the Land Development Subcommittee, Songpa 1). The majority of these candidates have financial resources exceeding 1 billion won and some even in excess of 10 billion.

In comparison, former student activists or public officials bring freshness to the party. They include Kwon Ki-kyun (age 34, first vice chairman, first organizational department, Tongjak 3), Pak Sok-tong (age 42, assistant chairman of the party publishing department, Songpa 2), and Chong Tae-kun (age 46, Agriculture and Fishing Deliberations Committee, Songpa 7). The two female candidates being recommended for nomination by the central party both have a considerable amount of wealth and real estate. Cho Cha-hyoe (Songdong) operates an obstetrics/gynecology hospital while Cho Chong-hui (Unpyong) runs a preschool.

There are differences of opinion within the DLP as to whether the upcoming election will be a regional or political election. Representative Yi Chong-chan from Chongno-ku, known as the center of politics in Korea, worried about the possibilities political currents might bring. "If we do not nominate a number of new personalities within our party," Yi commented, "then there is no way to block off an attack from the opposition. We must nominate ideally six, realistically four such individuals." However a counterargument is offered by Assemblyman Hwang Pyong-tae representative from Kangnam's first electoral district [kap-ku] which is known as the home of new politicians. "The tightness of regional society will eventually appear in the district elections. Regional connections will become the greatest basis for obtaining votes."

The opposition's strategy is the opposite of the DLP. Plans are to maximize the use of the parties' influence in obtaining votes by having the central party actively intervene from the nomination process through the election itself. Even if they should lack notoriety or financial organizational strength, fresh new individuals will be nominated en masse in a concentrated conquest of the floating vote which has developed due to the public's mistrust in politics. To do this, the PPD is promoting a strategy of recruiting the greatest number of worthwhile personnel who ran for National Assembly elections in the past, as well as reasonable dissident figures, and encouraging them to actively volunteer to run for election.

The PPD is already known to have succeeded in recruiting attorney Chong In-pong, who ran as an NDRP candidate in Chongno-ku during the 13th general elections where he received over 15,000 votes. The PPD also plans to run Kim Su-il, current district party chairman (Yongdungpo's first electoral district) who has served as both deputy spokesman and vice secretary general of the party. Yu Si-min (former adviser to Assemblyman Yi Hae-chan), widely known as an activist while at Seoul National University [SNU] during the early 1980's, has already received approval to be nominated and is currently developing his regional base in Kwanak-ku. The PPD plans to put these individuals forward and strike at the current condition and immorality of the ruling party. They hope to create a pro-PPD following, portraying themselves as a viable substitute for the current regime.

Possibility of a Storm From the Series of Suspicious Events

The DP's position is that they will nominate contemporary politicians even if they markedly lack notoriety in order to strongly criticize existing politicians. The DP plans to run a large number of activists in their thirties such as Ko Myong-sok (Songbuk), famous for his stint as chairman of Sammintu [the Struggle Committee To Reunify the Nation, Win Democracy, and Liberate the Masses]; labor activist Yu Tae (Tobong 4); and Chi Yong-kun (Kuro 7), implicated in the ML [Marxist-Leninist] Party incident. The DP plans to bitterly expose the true character of politics as it currently exists in hopes of stirring up a DP wind in the political world.

If the district elections take the format desired by the DLP, then it appears possible for the DLP to secure over 60 percent of the vote as well as council seats. Some assemblymen from the predominantly middle-class district of Kangnam predicted a vote as high as 70 percent for the DLP. In this case, it is expected that the PPD would obtain about 20 percent and the DP 10 percent of the vote. However, if the format of the elections should run counter to the DLP's desires, the DLP would be lucky to obtain even 40 percent, while the PPD and DP would wind up splitting the remaining 60 percent.

Will a "wind" similar to that of the 12 February general election arise? In this case, the question of which direction the wind will blow will have an important influence on the election as well. Ruling party members will appeal for the nomination of workers from within the area under question, while actively making regional election promises. However, the opposition will concentrate their attack on the Sixth Republic, especially the unjustness of the three-party merger. The opposition hopes to reproduce on a large scale that group of people opposed to the DLP, and to eventually absorb them into their party. Whether such a strategy can be connected to a "wind" depends on how well the opposition can attract the support of the people. It is certain, however, that a wind will blow to some degree, and that there will be many vulnerabilities within the ruling camp worth attacking such as the Suso housing scandal.

The DLP will make every attempt to limit the degree to which this election becomes a regional election. They are showing moves to re-revise the Local Autonomy Election Law, as well as to more strictly limit means of campaigning to accomplish this goal. However, as there is an awareness even within the DLP that some type of wind is unavoidable, they are currently devising a plan simply to slow down the speed of that wind.

Should an opposition wind blow, then the direction of that wind will have a substantial effect on how many votes each party receives. The general perception is that most likely the wind direction will entail an insistence by the people on a generational change within political circles.

The majority of the candidates are up-and-coming politicians in their thirties and forties, and there is a great possibility that these candidates regardless of whether they are opposition or ruling party members will attack the existing political circle as it exists. They will likely call for a dissolution of the two-Kims structure as well as a weeding out of the political world. In this case, both the DLP and PPD, led by Executive Chairman Kim Yong-sam and Party President Kim Tae-chung respectively, will be hit. The DP, on the other hand, is expected to benefit from such a trend.

Strong Possibility for a Small-Ruling, Large-Opposition Party Situation

The political wind may also blow toward the issue of a consolidation of opposition forces. While it appears likely that an opposition coalition will be actively discussed by both the DP and MP as well as dissidents and independent candidates, the issue may even surface within the PPD given the relatively weak relationship between the Seoul area and President Kim Tae-chung. The DLP themselves may also interfere in the matter in order to attack opposition candidates. There are even moves by up-and-coming personalities within the opposition circle to make an opposition consolidation a campaign promise depending on the outcome of the local council elections. The burden of these moves will likely fall on the PPD, and even though to a lesser degree, it will also become a negative factor to the DP as well.

Election strategists for the DLP are bracing for a considerable storm and have resigned themselves to the probability that it will be difficult to obtain even 40 percent of the vote. Additionally, should a change of generations be forcefully demanded, then it is not entirely impossible that the PPD and the DP could gain a similar number of votes as the DLP.

Although it is difficult to predict at this point, the possibilities of a great leap forward by the DP can change the election battlefield as well as have extraordinary effects on the future political situation. The DP has reconstituted its battle lines with its recent second party establishment. Should they put forth fresh new candidates and overcome the chaos in party operations, then a three-way war between the DLP, PPD, and DP is not entirely impossible. Should each of the parties secure around 30 percent of the vote, then the Seoul City council will become a small-ruling, large-opposition party forum, and thus a new testing ground for politics in Korea.

The issue of whether the DP encroaches on DLP or PPD votes is also an important issue. PPD analysts insist that since the PPD's support base is fixed, then the DP will eat away at the DLP votes. The DLP's interpretation, on the other hand, is that since those voting for the DP would be individuals inclined to vote for the opposition anyway, then it is the PPD who will be hurt more by the DP. According to a DP election strategy report, the DP support base primarily consists of floating votes of those who abandoned the DLP as a result of the three-party merger. By the DP's calculations, they are inclined to link a DP victory to a DLP loss.

Is there no possibility of a large-scale advance of independent candidates? Results of recent public opinion polls show that 44.7 percent of Seoul citizens responded that they supported no party (KYONGHYANG SINMUN 1 January 1991). Should the election results reflect this percentage alone, then independent candidates could overwhelmingly capture a large number of seats. However, the majority of election experts have shown skepticism at this possibility.

The general analysis is that a large number of those independent candidates who are in the running are individuals who have attempted to be nominated by the DLP and have failed. In fact, with the competition for DLP nominations within most electoral districts in Seoul running at two- or three-to-one, most of the candidates are already making clear their intentions to run as independents should they fail to receive a party nomination.

In contrast, the opposition parties have a basic shortage of personnel. A great number of those who are in the running now will receive the nomination.

It is natural that those people who fail to obtain the nomination of the DLP will have a difficult time defeating DLP candidates who have the support of the party organization behind them. Also, the election law itself is completely designed to be beneficial to party candidates. The law stipulates that independent candidates cannot even hold proper political rallies.

Even if 10 to 20 percent of those elected are independents, since independents are primarily pro-ruling party personalities to begin with, they will either reenter the DLP or cooperate with them. Because of this, both ruling and opposition party officials do not expect such a scenario to cause any major changes in the political world.

Each Party's Special Countermeasures for the Capital Area

A myriad of variables are lurking in the Seoul city council election, making it impossible to accurately predict the outcome. If one believes that an opposition wind will blow to some degree, and that the election will be based on party vice personality, then the basic framework of DLP-PPD-DP system will be maintained both in vote count and distribution of seats. Should some of those independents who are elected unite with the DLP, then chances are high that the DLP will obtain a majority.

Currently, each of the political parties lacks confidence concerning the election. However, because of the extraordinary ramifications that the Seoul city council elections will have on the political situation, all parties are busy establishing election strategies to include activating special countermeasure teams in the capital area.

If the DLP fails to ensure a majority in Seoul even while winning in other regions, the aftereffects will be significant. Cognizant of that, the DLP has shifted their emphasis away from the local parties, where all party power was to be committed, to the Seoul region, establishing and pursuing special countermeasures. The DLP has set a target of 55 to 60 percent of the vote within Seoul. Anything over 50 percent will be a success, while anything over 60 percent will be considered a landslide. Below 50 percent will be a defeat while anything below 40 percent will be regarded as a crushing defeat. The DLP is expecting that even if they fail by a small amount to secure 50 percent of the council seats, then with the entry of independents into the party following the election, the DLP will be able to get a majority.

The special countermeasures established by the DLP for Seoul include concentrated commitment of key support personnel from within the secretary general's office, training for key party members, concentrated support visits by party leaders, and the targeting of occupational sectors such as religions and social organizations. However, what is posing a more difficult problem for the DLP than these concrete aspects of the election campaign is the nomination of candidates, organizational confusion, and the challenge of overcoming factional strife.

One hopeful sign is that as in the 26 April 1988 general election, party support is not distinct at this time. This is similar to the situation prior to the presidential elections and the Citizens Committee for Reunification [tongil chuche kukmin hoeui taeuiwon]. Most are certain that voter turnout will soar, and this is seen as being favorable to the DLP. Those voters inclined to the opposition side actively exercise their right to vote anyway, while those inclined to vote for ruling party candidates do not. Increased voter turnout will therefore be more favorable to the DLP.

At the party convention toward the end of 1990 over whether to hold the local autonomy elections, the Ministry of Home Affairs and Seoul city officials expressed an extremely critical position toward the elections, while 51 percent of the party members overall expressed that they had confidence in the election. With the recent string of scandals, however, voices of concern on the party side have been rising. In this context, the issue which most worries the DLP is the nomination of candidates.

Democratic Party To Attempt To Recruit Activists

The DLP plans to entrust the nomination of candidates to the local party chairmen, while the election itself will completely center on the local party as well. Accordingly, the DLP has repeatedly expressed their intention not to provide any financial support at all from the central party. One working level official noted, "If the central party were to assume the burden of a 7-million-won trust per candidate, we would need about 10 billion won altogether. Unlike past elections, we are not preparing any funds at all at this time." The policy of the DLP concerning election funds is having the effect of blocking the candidacy of up-and-coming politicians such as younger candidates, females, and intellectuals. Potential candidates within the central party's secretary general's office are collectively protesting that this mutually contradictive policy of the DLP will result in the candidates who run under the DLP banner collectively amounting to "a miniature chamber of commerce."

Organizational disorder in the local parties is also becoming a large burden for the DLP. The protests of former local party chairmen who were slighted in the three-party-merger process still continue. A total of six written warnings from the DLP president and 15 from the DLP secretary general were sent out to local parties in the past month alone. In order to resolve the organizational confusion, and to assume the major role for the Seoul city council elections, the DLP has been advising the local party chapters to actively campaign on their own. The DLP has classified these individuals as "outside chairmen," and following continuous discussions with them, some 20 positive responses have been received. Among those being discussed are DJP-circle members Sol Yong-chu, Yu Hwan, Pak Chu-chon, and Hwang Tong-hyon, as well as RDP-circle members Pak Hong-pyon.

The competition between factions at the local party chapters is also a problem area. In one electoral district in Kwanak, one large-sized restaurant owner from the DJP-circle, who had been regarded as being a promising candidate, has been concentrating his efforts on preventing other people from stepping forward for the candidacy. The PPD candidate, on the other hand, already has completed his basic campaign organization and is off and running fiercely.

In order to revitalize its party image, the DP is examining plans to run rational activist personalities in some districts. However, other factions and local party chairmen are opposing such a plan, and the potential candidates themselves are expressing their reluctance to run. Thus, the possibilities of the DP actually being able to accomplish this are becoming meager. For awhile, the DP had been considering plans to run such activists—as many as 20 percent of their total candidates—limiting them only to the Seoul area.

The PPD hopes to ride the momentum of their first-place showing in the Seoul area during both the presidential and National Assembly elections with the goal of securing the most council seats in this election as well. The PPD is aware that the local elections are an unavoidable process which must be completed both for the PPD to shed its regional party image as well as for PPD President Kim Tae-chung's road to the presidency. To accomplish these goals, the PPD's strategy is to concentrate its attack on the western areas south of the Han River where Honam forces are strong, to include Kwanak, Kuro, Yongdungpo, and Yangchon, as well as the eastern areas of the city such as Tongdaemun, Chungnang, and Tobong-ku. Plans call to nominate and elect candidates with a strong regional base in these areas, while running dissident female candidates in relatively weak areas like Kangnam and Socho in order to improve the party image.

The PPD hopes to emphasize that it is a responsible party with designs for the presidency in order to highlight the distinctions between it and the DP. As a response strategy to the DLP, the PPD plans to raise the issue of reform and democratization. However, there are loud voices of concern within the PPD that with the slightest error, the PPD will lose out to the DP as far as clarity in its campaign while losing out to the DLP in the area of realism. Another worry of the PPD is that they lack individuals who combine a fresh new image with an adequate financial basis and an intention to democraticize. The most important goal of the PPD is to break away from its Honam image. This will not be easy: In fact, there are some concerns that these elections will further entrench their position as the Honam party.

PPD and DP To Concentrate Attacks on Specific Regions

The DP's strategy is to establish bridgeheads in areas where the DP currently has assemblymen. These include Songbuk's first electoral district (Yi Chol), Yongdungpo's first electoral district (Chang Sok-hwa), and Socho's first electoral district (Pak Chan-chong). From these bridgeheads, they will actively storm the surrounding areas, while concentrating individuals with a high probability of being elected in those area. In the Kangnam area, where the PPD is vulnerable, there are eight National Assembly electoral districts. There, the DP will put forth small-medium sized businessmen in their forties as well as professional intellectuals to launch an all-out struggle with the financially wealthy candidates of the DLP. The DP is currently looking for suitable candidates to carry out this strategy with a target of at least 30 seats. However, if the DP is successful in overcoming their manpower shortage while at the same time a pro-opposition wind arises among the people during the election process, then the DP itself is predicting that they could possibly capture up to 40 seats.

The DP hopes to use the generational change within political circles as their catch phrase. By advocating an improvement of the physical makeup of the political arena and the restoration of its morality through the dissolution of the two-Kims structure, the DP believes it can place both the DLP and PPD on the defensive. There can be no better ammunition for the DP than the recent overseas travel and the Suso housing scandals. To satisfy the calls for a generational change, the DP plans to nominate around 10 activists or party officials who are in their thirties.

These include Song Sok-ku (age 35, head of the civil affairs bureau, Kangso 4), Kim Yong-su (age 32, chairman of the Korea University Law School Association of Returned Students, Unpyong 5), Kang Sin-uk (age 31, specialized committee, Nowon 6), Chong Tu-hwan (age 30, specialized committee, Chungnang 4), Yun Sun-tae (vice chairman, general affairs department, Unpyong), Ko Myong-sok (chairman of Sammintu, Songbuk), Yi Chae-pil (vice chairman of the social and cultural department, Mapo), Yu Tae-yon (age 40, activist for workers and poverty-stricken people, Tobong 4), Chi Yon-kun (age 34, vice chairman, labor department, Kuro 4), Kim Son-ho (age 35, vice chairman, publicity department, Songpa 7), Cho Kwang-han (age 35, public relations company, Nowon 1), and Im Chong-pil (age 38, vice chairman, party discipline department, Kangnam 3). As most of these individuals are either linked to activist or dissident circles, they are the "state-of-the-art" politicians who will carpet-bomb the existing political circle.

However, not even the DP has been able to completely overcome internal dissension. Not only that, but since most of these candidates virtually lack funds or organization, it is extremely hard at this point to predict just what degree of success they will attain in winning votes. Even after uniting with the dissidents, static continues to be heard coming from the DP.

Although it is hard to predict precisely how the election will turn out, there is no doubt that the Seoul city council election will act as an important variable in the future political scene.

If the DLP is able to gather over 60 percent of the vote in a landslide, then the struggle within the ruling party over the next presidency could kick into full swing at an early stage. The RDP circle and Executive Chairman Kim Yong-sam will ride the waves of victory around July or August and bring the issue to a head: that is, come out demanding that a successor to President No be nominated. The DJP and NDRP circles within the DLP will put the brakes on this effort, using the justification of competitive selection and intraparty democratization. This could tend to spread into fierce internal party dissension. Within a defeated opposition camp, demands for PPD President Kim Tae-chung's stepping down to the second line of politics together with moves for a consolidation of opposition forces will recommence. In other words, there is a great possibility that the opposition will move toward a consolidation accompanied by a generational change. The stature of the two Kims would again be placed on the judgment stand, and it appears as though we once again will encounter the danger of a political structure with the two Kims facing each other in another showdown.

Possibility of Another Political Reorganization Depending on the Election Results

Forces within the DLP pursuing a cabinet-based parliamentary system will likely use the PPD's confined situation and, together with the PPD, pursue constitutional revision. Eventually, the delicate balance between the two Kims' forces will disintegrate and both Kims, in a long-term incompatible relationship, will find themselves standing on shaky foundations.

Should the DLP slightly exceed the 50 percent mark and the PPD capture 30 percent of the council seats, then the current political dynamic structure will likely be maintained roughly as it presently exists. There will be talk of whom is to receive the blame and whom is to receive the rewards over the outcome of the election within both ruling and opposition circles, but in general the political situation will continue as it was before the election. Within the opposition, debate of a consolidation of opposition forces will take place with each of the actors—the DP, PPD, dissidents, etc.—recognizing a relative loss of power. However, it seems likely that it will be difficult for them to achieve any results. The two-Kims structure will be dealt a minimal blow, and calls for a generational change cannot help but subside for the time being.

For the ruling party, such results may be the most desirable situation vis-a-vis the question of President No's successor. Should the DLP fail to obtain a majority, then a fierce political offensive by the opposition can be expected. On the other hand, a landslide victory could have a negative influence on the upcoming National Assembly election, the provincial governor and mayoral election, and the presidential election. Voters may feel like they must restrain the DLP should they enjoy a landslide victory in the upcoming election.

With an active showing by the DP resulting in a roughly 30-30-30 percent split of the vote between the DLP, PPD, and DP, there is a large possibility that the political world could become enveloped in an enormous three-way political contest. First, Executive Chairman Kim Yong-sam's position within the DLP would become extremely shaky, and the RDP would suffer a major setback in its presidential strategy. The DJP and NDRP circles will attempt to diminish Kim's stature within the party and Kim himself, having directly recognized the loss of his own support base, will end up coming to an important decision on his political future.

If the DP's support base should rapidly soar, then this could act as a motivational factor to the RDP-circle assemblymen within the DLP, as well as to the PPD's assemblymen from the Kyonggi Province-Inchon area. Should the DP accept some of these assemblymen and form a negotiating body between the parties, this could be directly and immediately related to a restructuring of the political world.

Other possibilities include the PPD succeeding in breaking from its Honam image by winning a large victory in the Seoul city council elections, as well as the possibility of a massive advance of independents gaining over 20 percent of the vote, thus breaking the existing political dynamic structure. The general perception is that both of these scenarios are not very likely, however.

As we have seen above, the Seoul city council elections have an extremely important significance in many aspects of Korea's political history. To that degree, it is extremely difficult to predict the outcome as the elections become a decisive battlefield where all of the various political forces will dedicate all of their resources to the fight as the election itself becomes increasingly complex. However, there is no doubt that these elections will have a major influence on who rises to become the next president of this country, as well as on our future political structure.

NSP Captures Communist Organization Leader

SK1203061791 Seoul YONHAP in English 0523 GMT 12 Mar 91

[Text] Seoul, March 12 (YONHAP)—The Agency for National Security Planning (NSP) applied for an arrest warrant Tuesday for Pak Ki-pyong, 33, a poet captured by NSP investigators Sunday after six years on the run on charges of breaking the National Security Law.

Pak, better known by his pen name, Pak No-hae, is suspected of breaking the National Security Law by leading a key role in forming an "enemy-benefitting organization." The outlawed group, Sanomaeng [South Korean Socialist Workers League], is a nationwide socialist labor league that the NSP says espouses revolution.

NSP also applied for arrest warrants for Choe Song-chol, 25, Pak's bodyguard, and four people that the NSP suspects are core Sanomaeng officials. The charges are all the same, participating in an enemy-benefitting organization.

The four were caught while printing materials for Sanomaeng organization in an underground print shop. They were named by the NSP as Yang Pong-man, 21, Yi Yong-cha, 27, Yi Chung-sop, 25, and Chong Su-yong, 25.

Pak, also known as the "faceless poet" for his elusiveness and extreme publicity shyness, had been sought since 1985 for leading an anti-government rally in Inchon, and was put on the most-wanted list last October when the NSP officially banned the organization.

Pak was in a small truck with Choe on a road in southwestern Seoul at 5:30 P.M. on Sunday when his vehicle was blocked by a car at a traffic light. The two were dragged out and taken away for questioning.

Witnesses said Pak resisted violently, kicking so hard he smashed the truck's windscreen and shouting, "This is Pak No-hae. Report my arrest to the press." Pak and Choe were beaten viciously for their effort to escape, the witnesses said.

The capture of Pak and his cohorts was made possible by the arrest of Pak's wife, Kim Chin-chu, on Feb. 27. She was also charged with forming the "enemy-benefitting organization." The couple was at the core of the Sanomaeng leadership, the NSP says, and so could receive the death penalty or life imprisonment.

The NSP says Pak formed Sanomaeng in February 1989 with 140 adherents to the socialist revolutionary line of a group called the National Democractic Revolution, and had its public launch at a workers' rally at Seoul National University in November that year.

A third member of the Sanomaeng leadership remains free. Paek Tae-ung, 28, a Seoul National University dropout, is suspected of providing the radical Marxist-Leninist ideology that guided the group.

Pak made a sensational literary debut with a collection of poetry, titled "The Dawn of Labor," in September 1984. His work is widely read by the general public as well as radicals and is often recited by leftist intellectuals, who claim it succeeds in encapsulating the "realities, frustrations and hopes of suppressed workers."

He built up a reputation as a dissident writer by contributing to dissident magazines, criticizing the government and calling on workers to fight for liberation. He recently attracted attention with his book-length critique of a popular semi-autobiography written by Kim U-chung, founder and chairman of the Daewoo Group.

Malaysia, Brunei & Singapore

Malaysia

Commentary Lauds New Zealand Support for EAEG

BK0803111491 Kuala Lumpur International Service in English 0800 GMT 8 Feb 91

[Station commentary]

[Text] It is now evident that the proposed move towards the formation of the East Asia Economic Grouping or EAEG will become a reality sooner that expected. After the initial negative response, more and more countries are becoming aware of the significance of the proposal and its relevance in terms of improving the economic strings of countries in this region.

Prime Minister Dr. Mahathir Mohamed's frank and outspoken address at the international conference on ASEAN and the world economy in Bali early this week helped to dispel much of the fear and doubt regarding the EAEG concept.

The latest country to come out in support of the idea is New Zealand. Its Trade Negotiations Minister Philip Burdon, who was on a visit here over the past two days, expressed New Zealand's keenness in joining the EAEG once it is established. In fact, New Zealand would like to be part of the ASEAN initiative in the formation of the grouping. New Zealand's support and offer of involvement in this ASEAN effort, obviously come from its conviction that the EAEG will not be a restrictive trading bloc, but will complement the principles of the General Agreement on Tariffs and Trade, GATT.

As was pointed out by Dr. Mahathir, who was the prime initiator of the EAEG concept, East Asian countries, by trying to form a grouping of their own, are advocating a free market system as a solution to their eeconomic problems. The emphasis will be on enhancing their ability to speak with one voice to bring about the free global trading system.

The EAEG will be unlike Western trade bloc whose entrepreneurs are opting for a controlled system where they gain from trading among themselves. The effect of that form of protectionism can spell danger to the economically weak and small and developing countries.

East Asian countries are plainly aware of the potential effects on them with the oncoming establishment of the European Single Market in 1992 and the formation of the U.S.-Canada Economic Union and the possible extension to include Mexico, and other Central and Latin American countries.

It is apparent that these groupings will have a domestic outlook, seeking their own interest. They will then pick quotas on import from outside in order to protect their own industries as well as their agricultural produce. This will undoubtedly lead to greater protectionism which the developing countries, acting politically, should check the [words indistinct] for world trade.

It must be emphasized and re-emphasized that the EAEG is not intended to become a closed trade bloc. It is aimed at providing an avenue for leaders to improve their economic growing need. Member countries will be given full liberty, not only to trade among themselves but also on bilateral levels with any countries outside the grouping. The EAEG will also serve as a forum for the countries of this region to speak with a strong voice at international trade negotiations.

The ASEAN initiative for the formation of the EAEG is gaining momentum. New Zealand's support for the concept is most welcomed.

Singapore

Toshiba Firm Sets Up Headquarters in Singapore

OW1203120291 Tokyo KYODO in English 0753 GMT 12 Mar 91

[Text] Singapore, March 12 KYODO—A subsidiary of Toshiba Corp., a major manufacturer of electronic and electric products, Tuesday became the sixth Japanese company to be given tax concessions for setting up its regional headquarters in Singapore.

Toshiba Electronics Asia (Singapore), which coordinates the marketing and production activities of Toshiba's electronic component companies in Asia, will now be allowed to pay a concessionary tax rate of 10 percent instead of the usual 31 percent corporate tax.

Since the scheme began in 1986, more than 30 multinational companies have been awarded the status of an operational headquarters by the Singapore Government, which is eager to develop its services sector.

Philip Yeo, chairman of the Economic Development Board, said there is a "fairly substantial" number of companies waiting to be granted the status of operational headquarters. But he declined to reveal the exact number on the waiting list.

Besides having a sizable network of overseas companies, firms seeking recognition as an operational headquarters by the government must also have many support staff at its Singapore office.

Company officials also told reporters that Toshiba Electronics Asia (Singapore) will invest about 20 million Singapore dollars (11.76 million U.S. dollars) over the next three years in a new large-scale integration (LSI) design center here.

The center, expected to be ready in March next year, will be equipped with advanced engineering work stations to help design circuits for Toshiba's customers in Singapore and Malaysia.

Company officials predicted that the sales for Toshiba Electronics Asia (Singapore), set up in March last year, will reach 220 million Singapore dollars (about 129 million U.S. dollars) for fiscal year 1990.

The company plans to increase its sales by 10 to 15 percent in fiscal 1991.

Cambodia

Government Troops Launch Major Offensive

BK1203035791 Bangkok BANGKOK POST in English 11 Mar 91 p 6

[Text] Vietnamese and Phnom Penh troops, apparently capitalising on Thailand's preoccupation with internal affairs after the coup, have launched a major offensive against non-communist troops in Battambang Province.

On Serei-Sopheak, spokesman for the Khmer People's National Liberation Armed Forces (KPNLAF), said the offensive began about 5:30 a.m. on Saturday and involves 2,500 Vietnamese and 4,00 Phnom Penh troops.

Sopheak said the four-prong attack is aimed at pushing the KPNLAF to the Thai border before China and Thailand can coordinate and strengthen help for non-communist forces.

When in power, former Prime Minister Chatchai Chunhawan initiated the Indochinese "battlefield to marketplace" policy, which enhanced the status of the Phnom Penh regime and affected to a certain extent military support for the non-communists.

Sopheak said that Vietnamese troops, backed by BM21 multi-rocket launchers and about 15 tanks were spearheading the offensive. About 8,000 KPNLAF troops are fighting back.

The first line of attack came from Vietnamese and Phnom Penh troops from Phum Prea, seven to eight kilometres opposite Ban Nong Chan in Prachinburi.

Sopheak said this front is aimed at moving near Thai-Cambodian border areas net to Nong Samet in Thailand, with the final objective being the KPNLAF headquarters of Boeng Trakuon, which adjoins Ta Phraya District.

The thrust is to cut behind KPNLAF forces operating on both sides of Route 69 north of Sisophon town deeper inside Cambodia.

The second front involves a drive from Phum Sala Kraou, about seven to eight kilometres northeast of Sisophon. This area, according to Phnom Penh, is mainly civilian. But the attack from this area indicates it is a military base, Sopheak said.

The two other fronts are from Phum Kamnap, heading towards the northwest and Svay Chek, also heading to the northwest with a final objective being KPNLAF-controlled Thmar Puok.

"Our forces have been able to contain the drives from Phum Prea, Phum Sala Krau and Phum Kamnap," he said, adding fighting was continuing eight kilometres north of Svay Chek.

"The Vietnamese troops have managed to advance about eight kilometres to the north and have shelled the perimeter of Thma Puok but not the town itself," Sopheak said.

Between 8,000 and 10,000 civilians live in the Thma Puok area.

Sopheak said resistance forces were able to intercept radio communications in Vietnamese in the combat theatre. Although in code, it indicates the Vietnamese are spearheading the attack. The radio was reporting the military situation to the command centre in Sisophon.

He believes the Vietnamese and Phnom Penh troops are using the chance to wipe out the resistance while the Thai administration is preoccupied with internal matters.

Informed sources said the change in the Thai government could signal closer cooperation between China and Thailand in military support for the resistance.

Sopheak said if the resistance is pushed back to the Thai-Cambodian border, this would leave the Khmer Rouge and Phnom Penh troops face-to-face.

Attacks on Route 5 To Disrupt Black Market

BK1003021491 Bangkok BANGKOK POST in English 10 Mar 91 p 3

[Text] Aranyaprathet—Seven Khmer traders travelling on Route 5 were killed and 15 wounded on Friday by Khmer resistance ground fire, a border source said yesterday.

The attack occurred while about 40 traders were taking goods from Sisophon to an illegal market at Poipet on the border with Thailand.

The wounded traders were admitted to a field hospital of the Phnom Penh troops at Ban Nimit, about 10 kilometres from the Thai border.

Yesterday morning resistance forces resumed their ground fire on Route 5, aiming to harass positions of Heng Samrin soldiers and disrupt deliveries of goods to the black market at Poipet where about 40,000 Cambodians trade under the protection of Phnom Penh soldiers.

Chea Sim Visits Kompong Som City 7-8 Mar

BK1003064891 Phnom Penh Domestic Service in Cambodian 0430 GMT 10 Mar 91

[Text] Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of both the National Assembly and the Kampuchean United Front for National Construction and Defense National Council, paid a working visit to Kompong Som City on 7-8 March.

During his visit there, Comrade Chairman Chea Sim took the opportunity to hold talks with local traders, industrialists, and businessmen. He spoke on the multifarious progress made by the country and the need to restore and rebuild the national cultural foundation. In view of the appeal, the city's business sector was very pleased to contribute 12.15 million riels toward the aim.

Comrade Chea Sim visited a number of economic and cultural achievements in the city as well.

Government Looks Abroad As Soviets Cut Aid

BK1203035491 Hong Kong AFP in English 0140 GMT 12 Mar 91

[By Leo Dobbs]

[Text] Phnom Penh, March 12 (AFP)—The cash-strapped Cambodian Government is looking to overseas and private firms to help lift the burden on the state budget following a massive cut in Soviet aid for 1991.

Assistance from the ailing superpower to this war-torn country has been cut by about 80 per cent or by 40 million riels (670 million dollars) for this year, Commerce Ministry official Mao Thora said in an interview here.

"This brings difficulty to the whole economy," Mr. Mao Thora said, adding that Phnom Penh's top two allies, Vietnam and Laos, were in the same boat.

The official, director of the ministry's External Trade Department, said the fiscal budget and the industrial and labor sectors would be hardest hit by the change.

The National Assembly approved a 1991 state budget in early February but details were unavailable.

Phnom Penh, whose coffers are strained by a dragging war with the Chinese-backed resistance, received most Soviet aid in the form of commodities.

These were sold by the government to fund the state budget, Mr. Mao Thora said, adding "though we had aid and credit from the Soviet Government, we still faced a deficit."

With Soviet aid gone, the deficit could prove crippling while commodity prices will also be affected.

Moscow also fed the primitive state-owned industrial sector with raw materials, Mr. Mao Thora said.

Phnom Penh is looking towards the private sector and foreign companies to boost its coffers.

But aid from the West will be limited as long as the Cambodian conflict goes unresolved, observers said, noting that top industrialised countries and aid donors do not recognise the Phnom Penh government installed by Vietnam in 1979.

However, officials from the West have begun arriving to examine the possibilities of trade cooperation.

Mr. Mao Thora said the government was keen to see private business expand and welcomed joint ventures with overseas countries.

New legislation promulagated by the cabinet was aimed at easing and encourging entrepreneurs to start up import-export businesses.

"By encouraging private companies to deal in export-import business we hope to get more commodities that will reduce our burden," Mr. Mao Thora said.

He said several overseas companies were confident enough to supply commodities, including valuable crude oil, and give a grace period of up to four months for payment.

Ironically, Singapore has become Phnom Penh's biggest new trading partner while its government publicly trumpets the cause of the resistance.

In the long term, Phnom Penh hopes oil and gas reserves will boost its fortunes and again it is looking to overseas companies for help in exploiting the fields.

Bids for exploration rights are expected in June and several top international oil companies have expressed interest.

Boat People Return Home From Indonesia

BK0803124391 Hong Kong AFP in English 1136 GMT 8 Mar 91

[By Leo Dobbs]

[Text] Phnom Penh, March 8 (AFP)—Fifty-seven Cambodians flew in here Friday as the first batch of boat people to opt for voluntary repatriation from Indonesia.

The group, who had been sheltered on Galang Island in the South China Sea, arrived aboard a United Nations High Commissioner for Refugees (UNHCR) chartered VIETNAM AIRLINES flight that stopped overnight at Ho Chi Minh City.

They were only the second ever batch of Cambodian boat people to volunteer to return home and their arrival is seen as a propaganda coup for the government in its battle over the three-party resistance movement.

Three fishermen came back from Malaysia on February 25, UNHCR Mission Chief Bjorn Johansson said.

The trend is likely to continue, Mr. Johansson said, adding that applications from a further 30 Cambodians to return from Indonesia had been submitted to the government here.

The UNHCR official said the Cambodians were deciding to return home because they realised resettlement was unrealistic and they had "reached the end of the road."

The 57 included 10 children aged under 16, and most left from Cambodian coastal provinces about a year ago, often after paying large sums of money.

Many of those questioned at Pochentong Airport here said they had wanted to go Australia.

A large number of the group, which included 16 people from the capital, were young men and UNHCR officials said they had left Cambodia to escape being conscripted into the Army.

One 25-year old said he had left from Kompong Som in February last year because "my friend told me that it is very good abroad."

He lashed out 1,000 U.S. dollars to the organisers of the boat run in the hope of getting to Australia.

Sous Phally, a 19-year-old from Phnom Penh, said she had left her husband and brother-in-law behind on Galang Island.

She said her husband had promised to return with the next batch of returnees, but a UNHCR official said several families had sent back one relative to assess the situation in Cambodia before deciding whether to return.

Ms. Sous Phally, fashionably dressed in clothes bought with the 50 dollars given each returnee by the UNHCR, said she had decided to come back to Phnom Penh because "I was homesick."

Lay Lin, at 65 much older than most of the group, said she had left from Kompong Som in February 1990 after hearing "that abroad is very happy," especially Australia.

"But I was unhappy in the camp... And I cannot speak the language overseas," said Lay Lin, who was ecstatic at being back on home soil.

Mr. Johansson said the returnees would probably stay a night or two in Phnom Penh before returning home, and added that the neediest would be given financial help by the UNHCR.

"We can go and see them whenever we want, which gives us a monitoring role on the protection side," he said.

Some 1,800 Cambodian boat people are currently in Indonesia, according to UNHCR figures on an exodus that began late in 1989.

Western Oil Firms Interested in Offshore Oil

BK0903120691 Hong Kong AFP in English 1154 GMT 9 Mar 91

[Text] Phnom Penh, March 9 (AFP)—Several of the world's top oil companies are interested in searching for Cambodia's onshore and off-shore gas and oil reserves, a Commerce Ministry official said Saturday.

The government is expected to take bids from international oil companies in June this year and has prepared, with the help of Soviet experts, an extensive survey of reserves that is available from the Industry Ministry.

Interest has been shown by several top companies including Total of France, British Petroleum, the Royal Dutch-Shell Group, Belgium's Petrofina and Singapore's First Oil Pacific, said Mao Thora, director of the External Trade Department.

Several other Western oil companies have asked for details from the government, according to sources here.

U.S. companies are barred from dealing with this government and its top ally Vietnam, which supports Phnom Penh against a three-party resistance coalition.

But Esso and ELF Aquitaine, the only two companies to have searched for oil in Cambodia, have not yet contacted authorities about resuming exploration.

The companies hunted for offshore reserves during the rule of Prince Norodom Sihanouk, who was Cambodia's king before being ousted in a 1970 coup and who now heads a resistance faction.

Mr. Mao said that if the companies make a bid "we forsee that in five or six years time we will have oil here."

Poverty-stricken Phnom Penh has relied on the Soviet Union for its energy needs but these have been cut back and must be paid for in hard cash.

It now imports fuel from Singapore.

UN Receives More Aid for Displaced Persons

BK0903063891 Phnom Penh SPK in English 0415 GMT 9 Mar 91

[Text] Phnom Penh SPK March 9—The United Nations has received 1.5 million dollars in pledges to assist Cambodia's growing population of displaced persons this year, a UN official was quoted by AFP as saying here Friday.

Dennis McNamara said the number of displaced persons in war-torn Cambodia had grown alarmingly in recent weeks and was up some 30,000 to 186,000 people.

This compared to a Cambodian refugee population in Thai camps of about 35,000, added the deputy special representative of the secretary-general for coordination of Cambodian humanitarian assistance programmes.

The 1.5 million dollars for assistance in 1991 came in pledges from Japan, Holland, and Britain and can only be used for humanitarian projects.

The cash would be used for medical and agricultural assistance as well as for purchasing vehicles for distributing relief supplies.

But Mr. McNamara reckoned another international appeal for assistance for the displaced persons would be necessary and said a meeting of donor countries is due to take place in Bangkok next month.

The displaced people have been escaping fighting in northern, western, central, and southern Cambodia.

Mr. McNamara also said he believed that UN humanitarian assistance in Cambodia in an interim period ahead of elections would be from WHO, he added.

He noted that the World Health Organisation was expected to set up office here next month while a big team from the Food and Agriculture Organisation is due here Sunday.

The World Food Programme and the UN International Children's Fund have important projects here while the UN Development Programme has an expanding plan.

But the United Nations is restricted to humanitarian projects and cannot provide essential development aid.

SRV Troops Sent to Cambodia 24 Feb-5 Mar

BK1103012691 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 10 Mar 91

[Text] According to reports from Moung-Pursat and Stung Treng battlefields, the aggressor Hanoi authorities have kept sending fresh troops to Cambodian battlefields as follows:

1. On 24 and 28 February, the aggressor Hanoi authorities sent 500 fresh Vietnamese troops wearing Vietnamese and puppet soldiers' uniforms from Vietnam through Route 19 to Stung Treng provincial seat. Two days later, these troops were sent westward.

2. Between 4 and 5 March, the aggressor Hanoi authorities sent 2,100 Vietnamese soldiers in 70 trucks to Battambang provincial seat through Route 1 via Phnom Penh and Route 5.

Upon arriving in Battambang Province, over half of these troops were sent to Route 10 battlefield. The rest were sent to Ta Pde in Moung District.

In sum, between 24 February and 5 March, 2,600 fresh Vietnamese troops were sent to Cambodian battlefield.

SRV Troops Reported Involved in Offensive

BK1203022291 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 11 Mar 91

[Text] A spokesman of the Khmer People's National Liberation Front [KPNLF] said that over 2,500 Vietnamese aggressor forces jointly with puppet troops are launching offensives in an attempt to seize the liberated zone on north Sisophon battlefield.

On 10 March, a KPNLF spokesman said that on 9 March the Vietnamese aggressors sent over 2,500 Vietnamese troops to launch military offensives on north sisophon battlefield [Battambang Province] in an attempt to seize the liberated zone from the resistance forces.

This is clear proof that Vietnam has hidden and sent more aggressor troops to Cambodia. This is why the aggressor Hanoi authorities have opposed the five UNSC permanent members's document. They are afraid that the UN Peacekeeping Force will come to drag the Vietnamese aggressor forces from Cambodia.

Resistance Leaders To Meet in Beijing 'Today'

BK1203063591 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 12 Mar 91

[Text] The partners of the Cambodian National Resistance will meet today in Beijing in an effort to seek a solution to ending the conflict in Cambodia.

The leaders of the three resistance parties will arrive in the Chinese capital city today to attend a three-day meeting which coincides with visits here by top U.S. and Soviet officials in charge of Asian affairs for talks with Chinese counterparts on the 12-year-old Cambodian conflict.

The activity reflects the diplomatic efforts to resolve the Cambodian conflict, which has been left in limbo since the start of the war in the Persian Gulf.

U.S. Assistant Secretary of State for Near Eastern and South Asian Affairs Richard Solomon and Soviet Deputy Foreign Minister Igor Rogachev arrived in Beijing on Sunday 10 March for separate talks on Cambodia with Chinese officials.

Richard Solomon was scheduled to meet Samdech Norodom Sihanouk today.

His Excellency Son Sann, president of the Khmer People's National Liberation Front; Prince Norodom Ranariddh, secretary general of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia and commander-in-chief of the National Army of Independent Cambodia, and Khieu Samphan, leader of the party of Democratic Kampuchea will arrive in Beijing today from Bangkok, Thailand.

VODK: Phnom Penh Under 'Fierce Attacks'

BK0903095791 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 8 Mar 91

[News commentary: "The Vietnamese Enemy Aggressors and the Puppet Leaders in Phnom Penh Are in Great Panic"]

[Text] According to a report from Phnom Penh, the agents of our resistance forces are at present joining forces with our people and Cambodian soldiers in carrying out fierce attacks against the Vietnamese enemy aggressors and the puppet leaders in Phnom Penh. Grenade explosions were heard near the radio station in Stoeng Meanchey suburb, the puppet National Defense Ministry, and Wat Phnum monastery and at the central market, and so on. Along with this, police cars, ambulances, and motorized tricycles were often seen carrying dead bodies and the wounded to hospitals.

These events show that even in the city, which is their last lair, the Vietnamese enemy aggressors and the traitorous lackey puppets cannot find refuge. They pretend to be arrogant and boastful, but are in fact extremely terrified and are waiting for the opportunity to flee to save their skins.

By all accounts, puppet leaders, such as one-eyed Hun Sen, Heng Samrin, and Chea Sim, have plundered and packed gold and other valuables belonging to the Cambodian people in preparation for a getaway to Vietnam and overseas, once they completely lose in the Cambodian war. This is an extremely heavy setback of the Vietnamese enemy aggressors and the traitorous puppets in Phnom Penh.

The agents of our resistance forces are resolved in joining hands with the Cambodian people, soldiers, and militiamen to more vigorously attack the Vietnamese enemy aggressors and the traitorous puppets in Phnom Penh. Only by conducting more zealous joint onslaughts against the Vietnamese aggressors and the traitorous puppets can the Hanoi aggressor authorities be compelled to accept a comprehensive political solution to the Cambodian problem in compliance with the five major documents of the United Nations.

Indonesia

Foreign Minister Remarks on Cambodian Issue

BK1203103691 Jakarta ANTARA in English 1014 GMT 12 Mar 91

[Text] Jakarta, Mar 12 (OANA-ANTARA)—Indonesian Foreign Minister Ali Alatas has called on all parties in Cambodia not to make statements which are contrary to the efforts to cope with the Cambodian conflict.

All parties in Cambodia should show their determination to solve the conflict through negotiations in conferences, Alatas told newsmen here Tuesday.

He expressed confidence that all difficulties facing conflicting parties in Cambodia in seeking a solution to the Cambodia issue can be overcome through negotiations during a meeting of the coordination committee in Paris.

Concerning the date of the meeting of Cambodia's Supreme National Council in Jakarta, he said it is still to be decided. The meeting may be held after Id-al Fitr he revealed.

Id-al Fitr Islamic post-fasting holidays will fall in the middle of next month.

Minister: No Troop Dispatch Without UN Mandate

BK0803152791 Jakarta Domestic Service in Indonesian 1500 GMT 8 Mar 91

[Text] Defense and Security Minister L.B. Murdani stressed that Indonesia has no tradition of sending troops without the UN mandate. Addressing the annual congress of the Indonesian Trade Union group in Jakarta today, the minister said Indonesia has never sent its troops to make war, except at the request of the United Nations as part of a peacekeeping force. Up to now, Indonesia has taken part in nearly all UN peacekeeping operations, such as in the Congo, Gaza, Palestine, and mostly recently at the Iran-Iraq border.

PLO Ambassador Remarks on U.S. Stance

BK1103112891 Jakarta ANTARA in English 1029 GMT 11 Mar 91

[Text] Jakarta, Mar 11 (OANA-ANTARA)—The United States would never be able to send any one among all Palestinians who might accept the negligence or replacement of PLO, Palestinian ambassador to Indonesia Ribhi Hallum told ANTARA News Agency here Monday.

The PLO is still the sole legitimate representative of all Palestinians and has been recognized by various international bodies, including the Arab League and the U.N., he stated. Any attempts to ignore and isolate the PLO is violation of the legitimacy of the international bodies, he added.

President George Bush recently said the PLO lost credibility because it sided with Iraq and therefore the U.S. was searching for Palestinian representatives to take part in talks with Israel.

Commenting on Bush's statement, Hallum alias Abu Firas saw Bush of being not sincere in his effort to solve the Middle East problems, especially the Arab-Israel conflict.

Credibility of any political leadership belongs to its popularity among its people. PLO's credibility belongs to the Palestinian people to decide not to Bush, he said.

A poll made by an American institution has revealed that PLO enjoys credibility of 98.7 per cent of the Palestinian population including those in the occupied territories, according to Abu Firas. This is the credibility, and not that granted by Bush to PLO, he said, adding that sincerity in dealing with the Palestinian issue should be the basic ground if there is really [words indistinct] the solution of the Middle East problems.

We will never beg the U.S. for a meeting. If U.S. wants to sincerely solve the problem, they can approach us through our address, the door is open. Asked about the report on maltreatment of Palestinians in Kuwait, he said the Palestinian educated people and experts have so far contributed much for the development progress and the structures of Kuwait. Many major positions of the Kuwaiti structures were occupied by Palestinians. There were about 400,000 Palestinians in Kuwait before the war.

Even president 'Arafat himself who is an engineer was one day a leading figure of those Palestinians in Kuwait. So, any treatment which doesn't reflect this fact will be unfair. Furthermore, it was not Palestine which invaded Kuwait. PLO has never approved the invasion of Kuwait, but only supported Iraq for its military built power against Israel. That was our clear stance, he said.

Touching on the possible transfer of rich Arab countries' aid from PLO to intifadah directly, he stated that intifadah was part of PLO. They who care for intifadah should know very well the address of intifadah and of all the Palestinain people is the PLO, said.

Foreign Ministry Talks With Japan Begin

OW1103155591 Tokyo KYODO in English 1350 GMT 11 Mar 91

[Text] Jakarta, March 11 KYODO—The first regular consultation between senior foreign ministerial officials from Japan and Indonesia started at the Foreign Ministry in Jakarta on Monday, a Japanese Embassy spokesman said.

Japanese Deputy Foreign Minister Hisashi Owada is leading the Japanese delegation in the two-day meeting, while Wiryono Sastrohandoyo, director general of the Indonesian Foreign Ministry's Political Affairs Bureau, is heading the host country's delegation, the spokesman said.

Subjects included in the talks are a review of the bilateral relations between Indonesia and Japan, the 12-year-old

Cambodian conflict, the Northeast Asian situation, and the Uruguay Round of multilateral trade talks.

Indonesian and Japanese Foreign Ministers Ali Alatas and Taro Nakayama agreed to establish the regular diplomatic consultation in Tokyo last June.

Consultations Conclude

OW1203104191 Tokyo KYODO in English 1007 GMT 12 Mar 91

[Text] Jakarta, March 12 KYODO—Japan and Indonesia ended the first two-day regular consultation between senior foreign ministerial officials Tuesday, a Japanese Embassy spokesman said.

Japanese Deputy Foreign Minister Hisashi Owada, who led the Japanese delegation in the talks, paid a courtesy call to Indonesian Foreign Minister Ali Alatas on Tuesday morning.

Both Alatas and Owada said at separate press conferences that the two countries successfully exchanged views on several subjects, including post-Persian Gulf war reconstruction efforts, Asian- Pacific security issues, economic issues, and bilateral relations.

"Indonesia and Japan both agree that now the Arab-Israeli conflict, particularly the Palestinian issue, should be seriously handled," Alatas said.

"All nations must cooperate to solve the Palestinian issue," Owada said.

Alatas also said such a complex issue as Palestine can only be solved through an international conference, and not bilaterally.

The talks between Indonesia and Japan also included the Uruguay Round of multilateral trade talks and Malaysia's proposal for an East Asian Economic Grouping (EAEG).

"The EAEG proposal still needs to be studied," Owada said.

Alatas and Japanese Foreign Minister Taro Nakayama agreed to establish regular diplomatic consultations in Tokyo last June.

"The next similar meeting will hopefully be held in Tokyo," Owada said.

Official Urges Development of PRC Trade

BK0903093291 Jakarta ANTARA in English 0659 GMT 9 Mar 91

[Text] Jakarta, Mar 9 (OANA-ANTARA)—Bilateral trade between Indonesia and the People's Republic of China (PRC) should be further developed, particularly after the normalization of diplomatic relations between the two countries, the adviser of the Indonesian Chamber of Commerce and Industry, Sukamdani Y. Gitosardjoco, has said.

Prior to his meeting with PRC Ambassador Qian Yong Nian here on Friday [8 March] evening, Sukamdani explained that after diplomatic relations between the two countries had been normalized, steps should now be conducted in boosting trade relations.

"The PRC sells goods needed by Indonesia and vice versa, so that foreign exchange spending could be kept to a minimum", he stated.

According to Sukamdani, at present Indonesia has to import coal, cotton, soy beans, and agricultural equipment which could be obtained through trade with the PRC.

On the other hand, Indonesia was able to export fertilizer, coffee, timber products, which were needed by the PRC, Sukamdani added.

He hoped that his discussions with the PRC ambassador would provide information to the enhancement of Indonesian-Chinese trade.

He further said that a seminar would be held in Surabaya on March 12 with the theme enhancement of Indonesian-PRC trade relations after the normalization of diplomatic relations.

Sukamdani is concurrently deputy chairman of the Economic, Financial, and Industrial Committee of the Indonesian Supreme Advisory Council.

Trade Cooperation Agreement Signed With Hungary

BK0803144591 Jakarta Domestic Service in Indonesian 1200 GMT 8 Mar 91

[Text] The agreement reached at the second session of the Indonesia-Hungary Joint Commission on Trade, Economic, and Technical Cooperation was signed in Jakarta today. The two countries were represented by Puji Kuntarso, director general of the Foreign Economic Relations of the Foreign Affairs Department, and Janos Martonyi, state secretary to Hungarian Ministry of International Economic Relations. The two sides also discussed efforts to diversify export commodities from each country and to boost bilateral trade as well as the possibility of establishing direct trade link between the two countries. The two sides also discussed the possibility of cooperation in mining, energy, hydroelectric power, agriculture, and tourism.

During its four-day visit to Indonesia, the Hungarian delegation paid a courtesy call on Foreign Minister Ali Alatas and Mining and Energy Minister Ginanjar Kartasasmita.

Laos

Mutual Assistance Pledged With SRV Province

BK0903011491 Vientiane Domestic Service in Lao 1200 GMT 6 Mar 91

[Text] This year, Houa Phan Province and the SRV's Thanh Hoa Province have pledged to give mutual assistance to each other in carrying out economic development throughout the year, primarily in the fields of housing construction, communications, trading, and tourism. This assistance plan was agreed upon at a meeting by the delegations of the party and administrative committees of the two provinces during a visit to Thanh Hoa Province between 26 and 28 February by Somphan Phengkhammi, secretary of the party committee and chairman of the administrative committee of Houa Phan Province. At that meeting, the two sides raised certain issues which had hindered their mutual cooperation in the past. They also discussed ways to resolve such difficulties so as to make economic cooperation between the two provinces more effective in 1991.

Kaysone Phomvihan Greets MPRP Presidium Head

BK0903035691 Vientiane Domestic Service in Lao 1200 GMT 7 Mar 91

[Text] Recently, Comrade Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee [LPRP CC], sent a congratulatory message to Comrade Budragchaagiyn Dash-Yondon, chairman of the presidium of the Mongolian People's Revolutionary Party Central Committee [MPRP CC], on the occasion of his appointment as chairman of the presidium of the MPRP CC.

The message reads: Your election to this important position shows that the Mongolian party and people have faith and trust in you. I firmly believe that with its persistent, positive perseverance and rich experience, the MPRP will be able to overcome all difficulties and take the country to prosperity. I hope that the relations of friendship and cooperation between the Lao and Mongolian parties will be further developed.

May you, Comrade, have good health and attain successes in carrying out your noble tasks.

LPRP Greets MPRP 70th Founding Anniversary

BK0903041491 Vientiane Domestic Service in Lao 1200 GMT 7 Mar 91

[Text] The Lao People's Revolutionary Party Central Committee [LPRP CC] recently sent a congratulatory message to the presidium of the Central Committee [CC] of the Mongolian People's Revolutionary Party [MPRP] on the occasion of the 70th founding anniversary of the MPRP.

The message said: On this auspicious occasion, the LPRP CC and the Lao workers and laboring people would like to send our congratulations and best wishes to the presidium of the MPRP CC and MPRP party members as well as to all laboring Mongolian people.

The message also pointed out: Over the past 70 years, the MPRP has led the Mongolian people in defending and building their country and has recorded successes in many fields, thus gradually changing the face of, and bringing progress to, the Mongolian People's Republic. Of course, in that process, it is certain that shortcomings have prevailed. However, we firmly believe that with numerous practical lessons and with the unity and unification within the entire party and masses, you, Comrades, will be able to overcome those shortcomings, thereby leading the Mongolian people and nation to advance along the path of social progress. We hope that the cooperation and relations between our two parties will be developed continually for the interests of the peoples of our two countries.

May the presidium, party members, and laboring Mongolian people attain new successes in building and developing the country for the happiness and prosperity of the Mongolian people.

Leaders Greet Thai Counterparts on Appointment

BK1203054191 Vientiane Domestic Service in Lao 0500 GMT 12 Mar 91

[Text] Yesterday, His Excellency Kaysone Phomvihan, chairman of the Council of Ministers of our Lao People's Democratic Republic [LPDR], sent a greetings message to His Excellency Anan Punyarachun, prime minister of the Kingdom of Thailand. The message reads as follows:

On the occasion of your excellency's appointment as prime minister of the Kingdom of Thailand, I would like to extend sincere greetings and best wishes to your excellency. I wish your excellency glorious success in performing your honorable tasks. I ardently hope that under your premiership, the normally developing relations of fraternal friendship and good-neighborliness between our two countries will be further developed for the common interests of the two peoples of Laos and Thailand, and in the interest of peace, stability, and cooperation in this region.

On the same occasion, His Excellency Phoun Sipaseut, minister of foreign affairs, has also sent a greetings message to His Excellency Asa Sarasin, minister of foreign affairs of the Kingdom of Thailand. The message reads as follows:

I would like to express sincere greetings and convey best wishes to your excellency. I wish your excellency glorious success in performing your honorable tasks. I earnestly hope that under your leadership in the field of foreign affairs, the relations of fraternal friendship and good cooperation between our two countries will be further promoted and developed with each passing day for the benefits of the two peoples of Laos and Thailand, and for peace, stability, and cooperation in the Southeast Asia region and the rest of the world.

Armywide Congress Discusses Party Regulations

BK1103124591 Vientiane Domestic Service in Lao 1200 GMT 9 Mar 91

[Text] Today, 9 March, marks the fifth day of work of the third armywide congress of party cadres. In today's work Comrade Lieutenant General Osakan Thammatheva, member of the Lao People's Revolutionary Party Central Committee, deputy minister of national defense, and head of the Army General Political Department, presented a report on the improvement and amendment of a number of party rules and regulations. The improvement and amendment of the party rules and regulations and means to elect the Party Central Committee in the forthcoming fifth party congress will be different from those in the previous party congresses. It is also considered an event of special significance.

Following the implementation of the resolutions of the past fourth and the third party congresses, there have been changes in many spheres of work and in the domestic situation. The world situation has also been changed rapidly and complicatedly. These changes have affected our cause of defending and building the country. The translation into reality of the resolution of the fourth party congress in our country has effected a change—the change from the path of marching toward socialism to the path of consolidating and promoting the popular democratic system. Through this situation, all cadres, soldiers, and police, as well as multiethnic people of all strata in society, have looked forward to, and pinned their hopes on, the fifth party congress that will be held soon. Will the improvement and correction of the party rules and regulations and the workings of the fifth party congress bring the destiny of the nation further onward or downward? Will it further raise the honor and prestige of our party and nation to an ever higher level in the international arena? These things are the direct and entire responsibility of the party.

The third congress of party cadres in the entire Army also serves as a significant forum to demonstrate the unanimity, cohesion, loyalty, and sincerity of the Armed Forces toward the party and the nation. It is, therefore, required that all delegates to the congress maintain a lofty spirit of responsibility to discuss and contribute their views to the improvement and correction of the new party rules and regulations on this occasion in a democratic and unanimous manner.

Kaysone Phomvihan Speaks at Armywide Party Meet

BK1203041991 Vientiane Domestic Service in Lao 0000 GMT 11 Mar 91

[Text] In the third armywide congress of party cadres on the sixth day yesterday morning, Comrade General Secretary Kaysone Phomvihan, chairman of the Council of Ministers and chairman of the Central National Defense and Public Security Maintenance Committee, addressed delegates to the congress. In his address, first of all, Comrade General Secretary Kaysone Phomvihan, on behalf of the Lao People's Revolutionary Party [LPRP] Central Committee, expressed salutations and greetings to the congress. He wholeheartedly hailed delegates from each branch of service for bringing the intelligence and best wishes of national defense cadres, combatants, and state employees to the armywide congress of party cadres on this occasion.

Comrade the general secretary then pointed to the overall achievements and victories recorded in implementing the resolution of the fourth party congress over the past five years. He also pointed to the world and regional situation as well as the domestic situation, which have changed rapidly and in a complicated manner never expected before. In light of the said situation, Comrade General Secretary Kaysone Phomvihan called on each and every delegate to step up political and ideological work, consolidate the internal solidarity, take the offensive in encountering any eventualities that might take place, always maintain vigilance, and together carry out and successfully fulfill the responsible tasks of our Army in the new stage.

Regarding the implementation of the national defense and public security maintenance line in the new stage, Comrade General Secretary Kaysone Phomvihan urged the delegates to join in studying and firmly grasping various basic issues. He said: First and foremost, we must profoundly and comprehensively understand the stance on the national defense and public security maintenance work of the entire people. We must closely combine economic and national construction with the building of the people's warfare field position and the building of military potentials. In building forces, the guideline of putting emphasis on quality must be firmly grasped. In this regard, building in the political and ideological field must be used as the basis for the enhancement of the overall quality of combat strength. Along with this, it is necessary to regularly promote, expand, consolidate, and strengthen the relations between the Army and the people by implementing the slogan: The Army and the people are like fish and water. It is also necessary to firmly grasp the building and training of cadres, because the contingent of cadres is considered the key force, basis of quality, and combat strength of the Army. In building the contingent of cadres in the Army, special attention should be paid to success in both terms of quantity and quality.

Comrade General Secretary Kaysone Phomvihan noted in conclusion that the decisive factor to determine the growth, development, and victories of our Army is the enhancement of the direct, comprehensive, centralized, and unified leadership toward the Army. Comrade General Secretary Kaysone Phomvihan took the occasion to wish the armywide congress of party cadres success in studying and making arrangements for the implementation of the line and plan on the national defense and public security maintenance work for the years to come.

Philippines

Aquino Affirms Confidence in Bases Negotiator

HK1203105791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 12 Mar 91

[Excerpt] President Aquino reiterated today that the national interest is the main consideration in the ongoing RP [Republic of the Philippines]-U.S. military bases talks. The president also expressed her confidence in the capability of Department of Foreign Affairs Secretary Raul Manglapus as chief negotiator of the Philippine panel for the RP-U.S. bases talks.

The president is hopeful that the group of Manglapus and their U.S. counterparts can outline a treaty that upholds the national interest of the Philippines. [passage omitted]

Officials To Lobby for Debt Help in Bases Package

HK1203052091 Manila THE MANILA CHRONICLE in English 12 Mar 91 p 3

[By Bert Castro]

[Text] Finance Secretary Jesus Estanislao and Trade Secretary Peter Garrucho will leave for the United States to lobby for a compromise formula that would allow the Aquino government to use for its debt reduction program some $300 million out of the $360-million bases compensation package proposed by the Americans, according to Foreign Secretary Raul Manglapus.

Manglapus told newsmen yesterday that the trip of the two Cabinet secretaries "is extremely necessary" in devising some financing formula to help reduce the country's debt.

The foreign secretary, however, clarified that Garrucho will concentrate on the soft components of the U.S. compensation package. Garrucho would most likely ask for better "trade access" of Philippine products to the American market.

The Philippine government plans to float some $1 billion in bonds, with its Southeast Asian neighbors as chief buyers, to help pay its foreign debt obligations. Potential buyers, however, wanted sure "money backing" for the bonds.

Thus, the Aquino government is requesting for a bigger cash grant in the U.S. bases compensation package to back up the bonds.

Earlier, U.S. Special Negotiator Richard Armitage said that the Bush administration had already proposed to the U.S. Congress a $360-million bases rental. The amount is broken down to $200 million in foreign military financing, $120 million in economic support funds, and $40 million in development assistance.

But the Philippine government wants a bigger cash component, a financing scheme similar to what the U.S. had granted the state of Israel.

Manglapus said Israel used the large economic support funds it received from the U.S. for various development programs and to reduce its foreign debt.

Manglapus said he was confident a new bases compensation formula with a bigger cash component could make the Philippine bond program "viable."

Manglapus acknowledged that due to the "procedural" constraints of the U.S. Congress, it would be difficult to get a multi-year compensation for the continued American use of the bases here.

American officials have said that the U.S. government would have to pay the bases rental on a yearly bases.

Manglapus arrived the other day from a two-week visit to Seattle and Washington, DC, where he discussed the bases issue with American officials.

Manglapus said the Philippines' proposal for a multi-year payment for the use of the bases is "not possible for the U.S. Congress." He said that the proposal, had it been accepted by the U.S. government, could have insured "regular payments" for the use of the bases and also assured "potential bondholders of money backing" for the Philippine bonds.

Manglapus assessed his trip as "successful" but conceded that "another round of talks is needed perhaps in the next few weeks."

He expected Armitage to arrive soon to head the U.S. negotiation panel.

Manglapus said the Americans are asking for a 10-year extension of the bases' stay.

Aquino Urges Study of USSR Plane Lease Offer

HK1203095591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 12 Mar 91

[By Vic Sinchongco of Mobile Unit No. 6]

[Text] President Cory Aquino designated the Philippine Air Force [PAF] to study the Soviet Union's offer to lease airplanes to the Philippine Government. The president said Malacanang will wait for the recommendation and advice of the Philippine Air Force on the said offer.

The president also said the government will continue relating to all friendly countries regarding the upgrading of PAF aircraft. The president also announced the government has set aside necessary funds for the upgrading and modernization of the Philippine Air Force. The announcement was made in her speech at the Second International Aviation and Airport Support and Defense Exhibition at Villamor Air Base.

The president also said that improvements of all airports in the country will continue. The president asked for an exchange of information and technology within the aviation industry. The president expressed her confidence that the Philippines can be part of the growth and development of aviation in the Asia-Pacific region.

Trade Agreement With China Signed

HK1103110291 Manila THE MANILA CHRONICLE in English 9 Mar 91 p 6

[Text] The Philippines and the People's Republic of China (PROC) [PRC] have signed a bilateral trade agreement that targets an exchange of goods initially worth $450 million this year.

The trade protocol was signed yesterday by Assistant Director Elaine Quintos of the Bureau of International Trade Relations of the Department of Trade and Industry (DTI) and Deputy Director Fan Jincheng of the Ministry of Foreign Economic Relations and Trade of the PROC.

The agreement was aimed at boosting trade with China and at the same time improve the trade balance between the two countries.

The protocol contains the indicative list of products and the targetted volumes to be traded this year.

China will buy from the Philippines about 400,000 metric tons (mt) of phosphatic and compound fertilizer; 40,000 mt of coconut oil; 20,000 mt of fresh bananas; 10,000 mt of copper cathodes; 90,000 mt of chrome ore; 10,000 cubic meters of plywood; 2,000 mt of cashewnuts;

About 2,000 mt of refined glycerine; 5,000 mt of wire rods; 2,000 mt of polyester fibers; 5,000 mt of coffee and coffee beans; 10,000 mt of cold-rolled steel coil; 100,000 pieces of black and white picture tubes or display tubes, and 4,000 mt of copper wire bars, rods and slabs.

China will also buy certain quantities of polyester chips, construction materials, fresh or dried fruits, chemicals, abaca, leaf tobacco, paper and paper products, pharmaceutical preparations, raw sugar, copper concentrates and manganese.

The Philippines will buy from China 250,000 mt of crude oil, certain quantities of machinery, equipment, electrical products, coal, textiles, steel billets, mineral and mineral products, industrial, agricultural and pharmaceutical chemicals, foodstuffs, rice, cotton, soybean meal and cement.

Trade between the Philippines and China averaged at $250 million during the past 10 years and had always been in favor of the socialist nation. Oil accounted for the bulk of Philippine imports from China.

Trade between the two countries peaked in 1985 when the Philippines imported $276.08 million worth of goods from China and exported $79.79 million worth of goods to that nation.

Saudi Arabia Assures Contract Jobs for Workers

HK1203053991 Quezon City MALAYA in English
12 Mar 91 p 2

[By Marie Rose Feliciano]

[Text] Saudi Arabia prefers Filipino contract workers for its reconstruction program because they have stayed in the region despite the shooting war, Labor Secretary Ruben Torres said yesterday.

In his report to President Aquino, Torres said Saudi officials, headed by Prince Abdullah Al Faisal Bin Turki, "cited the positive attitude of many Filipino workers who he visited in Dubai at the height of the Gulf conflict who continued to work in the Kingdom despite the critical condition then prevailing." Torres said Turki, secretary general of the Royal Commission for Jubail and Yanbu, also commended the Philippine Embassy's performance in pacifying the workers and that this observation was reported by Turki to King Fahd.

"The Philippine government had done a lot more for its workers in the Kingdom and his (Turki) government during the crisis period compared with the governments of other labor-sending countries," the report added.

There are a total of 390,000 Filipino workers in Saudi Arabia and 500,000 in the whole Middle East. Despite the war in the Gulf, the government opted to have the workers stay in the region, except in Iraq and Kuwait.

He said Turki even gave suggestions on how the Philippine government could capture the employment market, including training of workers, close coordination with the Saudi recruitment network, and better knowledge of the labor market.

Turki also said Saudi Arabia would want to improve trade relations with the Philippines.

Gross International Reserves Reach 3-Year High

HK1203053791 Manila BUSINESS WORLD in English
12 Mar 91 pp 1, 6

[By Ma. Certrudes M. Chavez]

[Text] The Central Bank's [CB] gross international reserves (GIR) surged to a three-year high of $2.328 billion as of end- February, up 33.18% from the January GIR of $1.748 billion. The level is sufficient to cover about 1.5 month's imports of goods and services.

CB data show that based on yearago figures, the February GIR increased 43.6% from $1.621 billion. The highest GIR recorded during the Aquino Administration was in January 1987 posted at $2.577 billion.

The reserves consisted of $1.056 billion in gold holdings, $0.34 million in special drawing rights (SDRs) from the International Monetary Fund; $1.048 billion in foreign investments; and $223.1 million in foreign exchange.

FOREX INFLOWS

A CB official yesterday attributed the increase in reserves to the inflow of substanial foreign exchange receipts amounting to $798.57 million, a substantial portion of which came from the International Monetary Fund.

Last February 25, the IMF released a total of $438.57 million, representing the full drawdown from the compensatory and contingency financing facility (CCFF) amounting to 277.1 million SDRs or $397.93 million.

Also included in the IMF package was the first tranche from the standby arrangement (SBA) totalling 28.3 million SDRs or about $40.64 million.

Government should have received $458 million from the IMF but the Fund already deducted 9.43 million SDRs or $13.71 million, equivalent to 25% of 37.7 million SDRs for future debt reduction operations.

What also boosted the GIR position was the release last month of the first tranche amounting to $174 million of the $300-million financial sector adjustment loan from the Japan Export-Import Bank. The original estimate was $150 million but the CB official pointed to the yen's appreciation vis-a-vis the dollar.

The Eximbank loan is primarily directed at instituting reforms in the country's financial sector.

The remaining tranche is expected in December this year, the CB official said.

LESS DISBURSEMENTS

Foreign exchange inflows also exceeded disbursements during the period of about $315 million. A major portion of this was used to service principal and interest payments, apart from trade credit withdrawals totalling $115 million.

Preliminary CB estimates show a GIR target of about $3 billion by yearend, equivalent to two and a half months of imports and services.

On a consolidated basis, total international reserves including that of the banking system are expected to hit about $7 billion this year, up 20.7% from the 1990 reserve tally of $5.8 billion.

The CB's foreign assets ae estimated to increase from anywhere between $2 to $3 billion. On the other hand, international reserves of the banking system are targetted to hit $4 billion from $3.8 billion registered at the end of last year.

Finance Secretary Announces Budget Surplus

HK1203052791 Manila MANILA BULLETIN in English 12 Mar 91 pp 1, 15

[By M.C. Rodriguez]

[Text] Finance Secretary Jesus Estanislao announced yesterday that the national government has wiped out its deficit and has even incurred a surplus of P [pesos] 8 billion due to its tight control on expenditures and high revenue collection.

Estanislao said in his report to President Aquino, however, that the surplus is only "temporary" and "very unusual." He urged that money be released faster for public works projects.

He said he is going to ask the International Monetary Fund (IMF) to review the country's economic performance after March to propose some changes in the economic reform program.

The President will meet members of Congress tomorrow to find altenative revenue-generating measures to the controversial nine percent import levy.

"My own suspicion is that at the end of this month, the Philippine economy will be turning out to be better than what we have expected and, therefore, there will have to be a few changes in the future," Estanislao said.

Public Works and Highways Secretary Jose de Jesus welcomed the news of the budget surplus, saying that his department will need more cash releases to hasten the construction of roads and bridges, and flood control projects before the rainy season begins.

"We will need more releases so that we will be able to pay all our contractors. Otherwise, they will slow down and we will not be able to meet our fast-track targets," De Jesus said.

De Jesus noted that the DPWH [Department of Public Works and Highways] has a shortfall in its cash requirements amounting to P2 billion for the first quarter.

But he added that Estanislao has agreed to raise the cash ceilings to enable the Department of Public Works and Highways (DPWH) to implement its projects.

The Department of Finance (DOF) attributed the budget bonanza to the surpass of its collection target by P8 billion or 37.8 percent higher than its P21.18 billion target, and the decrease in government spending from a target of P29.3 billion to only P24.8 billion.

The DOF said this was the second consecutive reporting period that the department overshot its collection target, thereby resulting in a budgetary surplus. The last reporting period was Jan. 31, 1991.

Estanislao commended revenue collecting agencies and urged them to maintain their collection efforts to attain the target of P230.79 billion in revenues by the end of the year.

The national government expects to collect P116.8 billion from the Bureau of Internal Revenue, P85.1 billion from the Bureau of Customs [BOC], and P8.12 billion from the Bureau of the Treasury. Other government offices are reportedly expected to generate the balance of P20.77 billion.

The DOF statement said that the Bureau of the Treasury "accounted for 50 percent of the collection surplus as it exceeded its target of P0.4 billion by 1,000 percent or P4.0 billion. This surplus was traced to foreign exchange differential on fixed-term foreign currency deposits with CB [Central Bank] (P2.1 billion), income from investments (P0.72 billion), income form debt-asset swaps (P0.3 billion) and interest on advances to GOCC's (P0.41 billion).

"Customs collection amounting to P6.7 billion likewise exceeded the program target by P2.11 billion or 46.3 percent. This excess collection arose partly from an ongoing program of BOC which accelerated the upgrading and publication of import values used in valuation. Furthermore, the present efforts to upgrade the moral values and improve the efficiency of customs personnel are already indicating some gains given the performance.

"The Bureau of Internal Revenue [BIR], simiarly exceeded its target of P14.82 billion by 9.6 percent or P1.43 billion. This can be attributed to the unceasing drive of BIR collectors to meet and exceed their target in response to the higher goals assigned to them by the BIR commissioner. Furthermore, the higher than projected increase in the prices of goods and services and the higher remittance by CB of withholding taxes on NG's [national government] fixed term deposits contributed significantly as well."

Senators Remark on Budget Cuts, Effects

HK1103053891 Manila THE MANILA CHRONICLE in English 11 Mar pp 1, 9

[By Johanna Son]

[Text] The senate comittee on finance has admitted to being stumped by a plan to cut the 1991 budget by P [peso] 23.5 billion, a commitment made by the government to the International Monetary Fund. [IMF]

As a result, the panel has sought and gotten assurances from the country's economic managers that the budget cut was not an "intractable" condition that should put Congress in a straitjacket.

Sen. Neptali Gonzales, chairman of the powerful committee, said senators were worried that deep spending cuts would "impair the delivery of basic services by the government."

But he said legislators were forced to support the IMF program to ensure that the country got funding under the Economic Stabilization Program [ESP] and the Philippine Assistance Program. [PAP]

Gonzales and Sen. Vicente Paterno, head of the committee on economic affairs, met Finance Secretary Jesus Estanislao and Central Bank Governor Jose Cuisia for three hours last week and discussed parts of the ESP that required congressional action.

"We indicated our concern that budget cuts would cut into the delivery of basic and essential services," Gonzales said after the closed-door briefing.

The CHRONICLE learned that Senate budget analysts, worried by the effects of excessive spending cuts, are poised to raise an additional P50 billion in one year. This would be done through improved tax collection, swifter privatization and "more imaginative funding schemes."

Gonzales said the two committees asked Estanislao and Cuisia if Congress had some flexibility in deciding the final budget cut, which is part of a fiscal scheme aimed at keeping this year's total deficit to P35 billion.

"Estanislao said it is not really something that is intractable, but how we are going to effect cuts is something for Congress to decide as long as the overall targets are met," Gonzales reported. "There is a degree of flexibility."

Most government agencies, including the armed forces, have been asking the Senate to restore cuts made by the House in their 1991 budgets. They feared that the cuts would jeopardize delivery of services, Gonzales said.

He added "Congress is now placed in a terrible bind because if we don't pass the legislation (promised under the ESP), then we will not be able to take advantage of the second tranche of IMF fund and the pledges (under the PAP) won't come into reality."

The House had approved a P270.6-billion budget for 1991. The Senate will soon begin plenary debates on whether to approve that figure, which includes the P23.5-billion cut.

The Philippines had pledged to cut by P55 billion the expected total deficit this year, through a combination of P23.5 billion in expenditure cuts and the increased revenues.

Gonzales also told Estanislao that the Senate was "trying to avoid the conditionality (of passing a P5.1-billion oil subsidy) because it means we have to compensate for that through further cuts in the budget."

"That (more cuts) would already impair the delivery of services, which is inimical to the country's interests," he said.

Along with the P23.5-billion budget cut and the P5.1 billion in oil subsidy, Congress has a third role in the ESP: new taxes and revenue measures.

The revenue problem has been addressed in party by the 9% import levy. Revenue prospects have also brightened since government has, as of Feb. 15, posted a surplus of P3.5 billion in collections.

Congress remains split over revenue measures, but Gonzales said he hoped legislators would study them more closely this time around.

Estabislao said that he would tell the IMR on April 15 of the decision to drop the oil subsidy.

The government is now operating on last year's budget since Congress has not passed this year's outlay.

Net Domestic Credits Soar in 1990

HK1103091091 Manila PHILIPPINES NEWSDAY in English 11 Mar 91 p 8

[By Alona Marie Dayrit]

[Text] Domestic credits extended by the monetary system, which consists of the Central Bank [CB] and the country's 31 commercial banks, soared to an all time high of P [peso] 271.51 billion at the close of 1990, indicative of the system's continuing support for business and industry during the year.

In its update on bank lending trends, the CB reported that the end-1990 net domestic credits (excluding national government deposits and the Treasury's International Monetary Fund accounts) marked a sharp 33.21 percent increase from the P203.82 billion the system loaned out in 1989.

The substantial improvement, the CB said, strongly indicated that despite last year's economic crunch, the local financial system continued to make more funds available to the business sector to boost production activities and, in the process, help revive the ailing economy.

Notwithstanding the growing anxiety over the economy's future, particularly, late last year, when a shooting war in the Gulf appeared imminent most firms sustained their operations, while some, whose investments were already on stream, opted to pursue expansion plans as scheduled.

As a result, corporate borrowings remained on the uptrend, encouraging banks to grant more loans, while maintaining the system's healthy state. However, CB sources cautioned that with even large corporations feeling the pinch of the present economic crunch, banks are expected to adopt a more cautious lending stance this year to minimize losses arising from a possible increase in the incidence of loan defaults. Thus, growth in the system's net domestic credits in 1991 will likely not be as hefty as last year's, sources predicted.

Reflecting the system-wide expansion in loan portfolios, combined credits extended by the CB and commercial banks to private business entities alone reached P221 billion last year, up 28.57 percent over the previous year's P171.89-billion total. Loans granted to the public sector rose by a bigger 56.37 percent to P49.93 billion over the end-1989 level of P31.93 billion.

Based on CB data, commercial bank loans from January to December 1990 jumped by 34.71 percent to P280.99 billion, from the yearago level of P208.59 billion. A large chunk of this came in the form of traditional loans and discounts, amounting to P225.61 billion, while P59.92 billion came in the form of securities. These were extended mostly to export-oriented industries like garments, chemicals, mineral products, electrical machineries and other capital goods.

Of the total bank credits, the private sector again took the lion's share of P212.41 billion or 75.59 percent of the loan mix, while the public sector absorbed the remaining P68.58 billion.

Going against the uptrend monetary authorities' net domestic credits remained in the red, as total CB loans, amounting to P57.78 billion, continued to fall short of national government deposits with the CB amounting to P67.26 billion.

NET DOMESTIC CREDITS OF THE MONETARY SYSTEM 1989 TO 1990 (in million pesos)

	Total	Monetary Authorities	Deposit Money Banks
1990			
January	197,471	(18,120)	215,591
February	197,949	(14,810)	212,759
March	199,877	(24,632)	224,509
April	198,982	(28,194)	227,176
May	205,714	(21,190)	226,904
June	220,103	(17,044)	237,147
July	224,685	(19,737)	244,422
August	227,701	(20,407)	248,108
September	246,752	(9,979)	256,731
October	256,596	(9,308)	265,904
November	262,316	(9,684)	272,000
December	271,512	(9,478)	280,990

NET DOMESTIC CREDITS OF THE MONETARY SYSTEM 1989 TO 1990 (in million pesos) (Continued)

	Total	Monetary Authorities	Deposit Money Banks
1989			
January	163,405	(5,701)	169,106
February	168,186	(3,237)	171,423
March	172,882	(9,412)	182,294
April	175,779	(12,526)	188,305
May	179,718	(10,831)	190,549
June	186,471	(6,085)	192,556
July	189,316	(2,621)	191,937
August	189,855	(7,836)	197,691
September	184,020	(20,958)	204,978
October	182,805	(22,795)	205,600
November	195,740	(10,388)	206,128
December	201,970	(14,786)	216,756

Source: Central Bank

IMF Loan To Partly Finance Debt Reduction

HK1103053491 Manila THE MANILA CHRONICLE in English 11 Mar 91 p 6

[Text] The International Monetary Fund (IMF) has approved the request of the Philippine Government to allocate 25% of each installment of the $909 million new loan package for debt reduction transactions.

The IMF released last February 25 the first tranche of the new facility for the Philippines amounting to $458.15 million.

The balance of the new loan package of $450 million will be disbursed over the next 18 months depending on the country's compliance with the economic parameters set by the IMF under the new stabilization program.

The first performance review will be made in August 1991.

The performance criteria imposed by the IMF included ceilings on base money or money supply, net international reserves or the difference between gross international reserves and the country's short-term foreign borrowings, public sector borrowing requirement, short-term foreign borrowings and the oil price stabilization fund (OPSF) balance.

The IMF's approval of a set-aside amount from every tranche will help the country finance the buy-back of its debt papers in the secondary market.

The government intends to pursue the second phase of the debt reduction program in the second half of this year.

It was estimated that about $1.7 billion-$1.8 billion of the public sector's foreign debt will be cancelled through various debt reduction transactions.

Department Seeks Sufficiency in Rice Production

HK1103091391 Manila BUSINESS WORLD in English 11 Mar 91 p 11

[By Hernani P. de Leon]

[Text] Increasing palay [unhusked rice] subsidy beyond the current P [pesos] 6 per kilo will be the Department of Agriculture's (DA's) first step to attain self-sufficiency in rice production.

This measure, along with five others, was taken up recently in an agricultural review workshop initiated by the World Bank and the National Irrigation Administration.

The other steps which will lead to local rice sufficiency according to DA are as follows: improving production techniques; widespread adoption of certified high-yielding variety seeds; expanding the coverage and efficiency of irigation service; reducing losses due to pests and improper post-harvest handling; and rationalizing existing land use policy.

The DA-proposed actions are consistent with the finds of the World Bank [WB] mission on agriculture which recently reviewed the country's agricultural policies in relation to the need for increased irrigation investment.

Two important things not covered by the DA response which the Bank mission underscored are consumption subsitution from rice to other commodities and redirecting Government rice distribution through a dual-pricing policy.

In interviews conducted earlier, newsmen were told by members of the WB mission that Government can save a lot of if even a certain percentage in rice consumption is shifted to wheat-based products.

Supported by at least two recently prepared technical papers, WB representatives indicated that a small shift in consumption pattern will create an immediate positive impact on the Government's quest for rice sufficiency.

This shift, it was stressed, could be affected by increasing price of rice and lowering cost of wheat-based products through elimination of tariff and other taxes. It was also noted that the use of resources, specifically those allocated for palay subsidy, will be enhanced if a dual-pricing in Government rice distribution is adopted by the National Food Authority (NFA).

Aportioning a certain amount of stocks to be sold at subsidized rates to targetted depressed markets will achieve this goal, according to the Bank mission. The remaining stocks will be distributed to outlets at a parity price with commercial rice stocks.

This way government subsidy to consumers will be restricted only to needy sectors. It is estimated that about two-thirds of the 10,000 bags of rice injected by NFA daily to Metro Manila go to market segments which can afford to buy rice at commercial prices.

Higher Support Price

Last week, farmer leaders asked DA to adjust palay support price from the current P6 to P8 per kilo. While Agriculture Secretary Senen C. Bacani promised that the issue will be studied immediately, department sources said the problem focuses on lack of resources to support such measure.

Even as farmers hit the World Bank proposal to explore the possibility to improving rice supply through consumption substitution, peasant leaders said the recommendation on improving NFA operations is a sound one and should be given serious consideration by Government.

David Berkoff, World Bank team leader, said deficits in rice production in the succeeding seasons will depend on the following factors;

—general level of growth in the economy;

—support services provided to farmers;

—government food trade and pricing policies; and

—level and characteristics of the Government's irrigation investment program.

Deputy Telecommunications Commissioner Resigns

HK0903060291 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 9 Mar 91

[Text] President Corazon Aquino has accepted the resignation of National Telecommunications Commission Deputy Commissioner Florentino Ampil for involvement in the death of Leonard Villa and the serious wounding of Bienvenido Marquez III during a rough hazing in the Ateneo de Manila University Aquila Legis Fraternity's initiation rites. Ampil submitted his resignation out of prudence, but stressed in his letter to the president that he is not guilty of the accusations against him. Meanwhile, Ampil expressed the belief that he would be found innocent of the accusations filed against him, adding that he resigned so as to spare the Aquino government from accusations of whitewash, if he remains in his job.

Senator Estrada's Party Resignation Accepted

HK0803151191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Mar 91

[Excerpts] The Liberal Party [LP] has accepted the resignation of Senator Joseph Estrada. Senate President Jovito Salonga and Senator Orly Mercado are the choices for presidential nominees, while Senator Tito Guingona and Chief Justice Marcelo Fernan are the LP nominees for the vice presidency in the 1992 presidential elections. Senate President Jovito Salonga is allegedly a dictator, according to Senator Estrada. Here is Cesar Chavez with the details:

[Begin recording] [Chavez] Here is Senate President Jovito Salonga:

[Salonga in English] The Executive Committee, which had accommodated all the suggestions of Senators Maceda and Estrada in the finalization of the rules in the selection of the LP candidates for president and vice president, was constrained to accept Senator Estrada's resignation.

[Chavez] In his resignation as a LP member, Senator Estrada said he did not like Salonga's leadership, saying he was a dictator. [passage omitted]

Here is Salonga's reaction to Senator Joseph Estrada's resignation:

[Salonga in English] My own reaction to Senator Estrada's resignation can be summed up in a few words. I am truly sorry. I wish Senator Estrada well. Regarding the effects on the LP, let me paraphrase a quotation from St. Paul: All saints work together for good.

[Chavez] Salonga also denied Estrada's accusation that he is a dictator, saying that it was Estrada and Maceda themselves who recommended that there should be two choices for the presidential candidacy and two for the vice presidential nomination in the party's national convention. The party adopted this proposal. Maceda did not attend the executive meeting because he went to Surigao and Cebu, while Estrada failed to attend because he was in Laguna.

[Salonga in English] No. 1, I have never assumed any dictatorial rule, whether in the Senate or in the LP. And you are the best witnesses because you've covered the Senate. No. 2, in the finalization of the rules, all the suggestions of Senators Maceda and Estrada were adopted by the Executive Committee. [passage omitted] [end recording]

Liberal Party Names Candidates for 1992 Polls

HK0903052791 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 9 Mar 91

[Text] The Liberal Party announced that Senate President Jovito Salonga and Majority Floor Leader Teofisto Guingona Jr. will be its presidential and vice presidential candidates in the 1992 elections.

Senator Estrada resigned from the party because Salonga is allegedly a dictator. In this connection, the Struggle of Filipino Democrats offered to welcome Estrada to their party promising him to lead the independent block. The offer was allegedly made by Congressman Ronaldo Zamora, head of the independent block, a group comprising members of the disbanded New Society Movement. However, Zamora said Estrada has not responded to the offer because he wants to think about it until July.

9-Group Coalition Supports Ramos for President

HK1103090891 Manila MANILA BULLETIN in English 11 Mar 91 p 8

[By Florentino Marfil]

[Text] The National Council of the People's Coalition, a group of nine political parties led by the Laban ng Bayan (LB) [People's Struggle] and the Lapiang Mangagawa [LM] (Workers Party), expressed support yesterday for the candidacy for presidnt of Defense Secretary Fidel V. Ramos in the 1992 elections.

The coalition said, however, that its support is based on the assumption that Ramos will decide to run for presidency.

The Coalition is composed of LB, LM, Party of the Urban Poor (PUP), Federal Party (FP), Bicol Saro, Mindanao Christian Social Democrats, Islamic Integrated Party, Philippine Cultural Minority Party, and the United People's Power Movement (UPPM).

Former Naga City mayor Monico Imperial, LB president, and lawyer Jose Malvar Villegas Jr., LM secretary general, were elected by the coalition national council as chairman and co-chairman, respectively. Former judge Oscar A. Inocentes, LB secretary general, was elected secretary general.

Imperial and Villegas said that they are endorsing Ramos as the coalition's candidate for president. The decision to support Ramos was arrived at after several weeks of debates and discussions among leaders of the different parties of the coalition, they said.

"The endorsement for Secretary Ramos to run for president is principally premised on the belief of the coalition leaders that at this critical period of our history, we need a President with the leadership caliber of Ramos, who has been tested both in time of war and in peace," Imperial and Villegas said.

Inocentes said that the coalition will sponsor a people's assembly on April 28. Some 10,000 delegates from the various parties of the coalition are expected to formally endorse Ramos's candidacy. The delegates will come from 75 provinces and 62 cities nationwide.

Inocentes said the coalition leaders will urge LDP [Struggle of Philippine Democrats] political leaders to adopt Ramos as the LDP presidental candidate in its coming national convention.

Ramos Recommends Social, Political Reforms

HK1203044191 Manila BUSINESS WORLD in English 12 Mar 91 p 12

[By Ma. Caridad S. Bautista]

[Text] Defense Secretary Fidel V. Ramos has not said in plain language that he will run for the presidency. But if his speech before the League of Governors last Sunday in Iloilo City is any indication—he soon will.

He told the governors, "I have been making modest preparations" for the presidential elections and has been encouraged by polls commissioned by friends, who believe his candidacy might be fruitful.

While his position restrains him from saying anything on the issue, he started talking—although mostly in general terms—over the weekend.

He admits the country is faced by problems more economic than military. And to these problems he offers the following solutions:

—On local autonomy, he says he subscribes "to a simple and practical political doctrine based on a single principle: the principle of Filipino people power which must be operationalized into economic growth, social equity and national solidarity," he said.

"I believe in a new deal for local governments: (that they) be (under) an imperative and urgent administrative reform."

He said Government is "overly centralized in Manila." The result of which, he said, has been uneven development.

He sugests two reforms: the restoration of the family as a functioning unit of the society and empowerment of local governments; and

On law and order, he says "there must be no sentimentality in confronting crime. The administration of justice must be swift, thorough and unsparing."

For this to be possible, he wants local governments to have more jurisdiction over peace and order in their areas. He also wants the laws against sedition and insurgency strengthened.

"Our laws—tilted toward the protection of civil liberties-tend to function as cover for subversives tearing away at the fabric of national civility and peace. Victory over secession and insurgency which is now on sight must not be comprised by myopic laws," he said.

Research Group Reveals Fraud in 1987 Polls

HK1203044591 Manila PHILIPPINES NEWSDAY in English 12 Mar 91 pp 1, 2

[By Ros Manlangit, Fidel F. Asor Jr. and Diony Tubianosa]

[Text] President Aquino yesterday brushed aside the finding of a UP [University of the Philippines] research group that the National Movement for Free Elections (Namfrel) cheated to favor candidates endorsed by her in the 1987 senatorial and congressional polls even as senators clamored for an inquiry and congressmen sought the withdrawal of the nomination of Christian Monsod as Comelec [Commission on Elections] chief.

"These same accusations were made by Marcos and by the opposition in 1987 and have never been proven satisfactorily. Judgment as to whether or not these charges are credible should be given only after hearing both sides," Mrs Aquino said.

Prof. Luzviminda Tancangco, chairman of the University of the Philippines study group, said that Namfrel, a Comelec citizen's arm, did not do an impartial monitoring of the results of the 1987 elections and showed bias against opposition bets.

Meanwhile, vote-rich provinces under governors identified with Mrs Aquino's Kabisig [partnership] movement are highly prone tc organized cheating in the 1992 polls, a member of the UP College of Public Administration research team warned.

The informant, who requested anonymity in the meantime, told NEWSDAY that the probability of cheating in these "Kabisig provinces" was not exactly remote, and that accredited election "watchdogs" for the 1992 polls should focus on these areas.

Senate Minority Floor Leader Juan Ponce Enrile, for his part, called the alleged cheating in the 1987 senatorial race, if true, outrageous. "It is silly and stupid if we found out that our leaders were elected by way of fraud," he added, saying that not only the cheating but also future electoral reforms should be discussed in any Senate inquiry.

Enrile, the virtual leader of the 24-man opposition team in the 1987 elections under the banner of the Grand Alliance for Democracy (GAD), said that the head of the UP research team, Professor Tancangco, should be given the appropriate forum to disclose her findings about the 1987 elections. He is set to deliver today a privilege speech on the report.

Other senators who joined the clamor for a Senate inquiry were Victor Ziga, John Osmena, Heherson Alvarez, Orlando Mercado, Teofisto Guingona Jr., Ernesto Maceda, Aquilino Pimentel, Mamintal Tamano and Neptali Gonzales, chairman of the Senate committee on electoral reform.

Ziga, executive vice president of the Liberal Party (LP), said the allegations on the involvement of Namfrel were very serious and must be immediately looked into.

NEWSDAY, in a brief interview with a member of the UP team over the weekend, learned that Tancangco's report was so far the most comprehensive study ever made on Philippine elections, more thorough than any existing study by the Commission on Elections (Comelec).

The Tancangco report consisted of over 30 volumes of documented cases of election fraud at the precinct, municipal, and district levels.

According to the UP team member, several of the Kabisig provinces lie in the "voters grid" in Luzon, where cheating had been rampant and massive during the pre-Aquino days.

While no names of provinces were mentioned, it was intimated that among the provinces in the "grid" were Bulacan, Pampanga, Laguna, and Pangasinan.

In the Visayas area, Cebu and Negros Occidental were considered very prone to cheating, taking into account documented cases in the 1987 senatorial elections.

NEWSDAY also was told that in the 1987 senatorial race, at least four to six GAD candidates, instead of two, would have won were it not for the cheating in the election results. Cheating was allegedly done through padding of election results from the regional and national levels. There was hardly any noticeable cheating in the precinct, town, and district (province) levels since cheating involved no congressmen but only senators, the source said.

According to one finding by the UP team, the Namfrel either was aware or had a part in the cheating but has denied team members access to its 1987 election tally.

The Namfrel kept two tallies—one, the initial tally, and the other, a "cleaned up" tally. Both tallies were done by the Operation Quick Count (OQC).

Another suspicious finding by the UP team was the fact that the Namfrel had secretly confined the 1987 senatorial tally only at its national headquarters, away from the reach of its network of volunteers nationwide.

Opposition House members demanded the withdrawal of the appointment of Monsod as Comelec chairman.

Monsod was Namfrel chairman during the 1987 congressional elections, which saw the administration bets thrashing the opposition at the polls.

The House opposition, led by Minority Floor Leader Salvador Escudero III and Representative Rodolfo Albano of Isabela, said because of this development, the appointment of Monsod as Comelec chairman became suspect.

"With the Namfrel unmasked as a stooge of the Aquino regime, the appointment of a former head of this discredited organization to head the Comelec becomes suspect," Albano said.

Albano urged President Aquino to withdraw Monsod's appointment if she cares "a whit of preserving the integrity of any electoral exercise conducted during her tenure."

The UP study stated that over 60 percent of the Namfrel's tallied votes, as reflected in its final count released on May 18, 1987, were not verified nor supported by accurate data on votes cast and precinct coverage.

The group estimated that 17 million votes were added to and 28 million votes subtracted from the Namfrel tally.

The group added that the Namfrel's Operation Quick Count served the purposes of the party in power.

The study concluded that the electoral process under the Aquino regime "remains as flawed as during the Marcos regime."

Airport Customs Seizes High-Powered Firearms

HK1103145991 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 11 Mar 91

[By Loi Caliwan]

[Text] Twenty-four high-powered firearms were confiscated at the Ninoy Aquino International Airport's arrival area by customs authorities of the Philippine Air Force Security Command [PAFSECOM]. Confiscated were 13 .45-caliber handguns, 10 9-mm and a .38-caliber handgun. According to a report by collector Antonio Bautista, customs officer in charge, to district customs collector lawyer Antonio Marquez, the firearms cargo arrived on board Air Continental airline flight CO-011 from Los Angeles, California. Collector Bautista identified the passenger as Fernando Lamioca, Jr. of Kawit, Cavite. The firearms were discovered by PAFSECOM authorities using an x-ray machine. The 24 assorted handguns were hidden in a brown plastic bag and placed inside two bags of a returning resident. One bag was addressed to Mr. Lamioca, while the other was addressed to Cristina Sarmiento but owned by Lamioca.

Allegations Against Environmental Group Confirmed

HK0903035691 Quezon City ABS-CBN Broadcasting Company DZMM in Tagalog 1000 GMT 8 Mar 91

[Text] Western Command [WesCom] Chief Brigadier General Gaulio Balbas confirmed House Speaker Ramon Mitra Jr.'s accusations that South Palawan was infested by New People's Army rebels since the Haribon group arrived there.

According to Balbas, 14 out of Haribon's 18 groups are conspiring with Communist Party of the Philippines-New People's Army affiliates operating in Palawan. Haribon is an environmental protection group which is allegedly involved in the communist network in Palawan.

Locally Built APC's To Replace U.S. Tanks

HK1203052691 Manila MANILA BULLETIN in English 12 Mar 91 p 8

[Text] The Armed Forces Logistics Command (Logcom) said yesterday that locally built armored personnel carriers (APC) will replace the American-made V-150 tanks to lessen dependence of the country on foreign military hardware and equipment.

Brig. Gen. Manuel Mariano, Logcom chief, said a prototype of locally built APC called "Hari-Digma [War King]" will soon be used by the Armed Forces of the Philippines (AFP) instead of the old carriers.

Mariano said the local version of the APC costs only P [peso] 3 million each compared to P9-million cost of the American-built V-150.

He said the quality of locally made military supplies and equipment has improved and these can now replace the foreign-made hardware.

Ramos: No Force Can Overthrow Government

HK1203103791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 12 Mar 91

[Text] Defense Secretary Fidel Ramos assured the nation that no rebel force in the country has the capability to overthrow the government. In his speech at the academic workshop in Tuguegarao, Cagayan, Ramos said he is certain the Armed Forces of the Philippines will remain loyal to the government and will continue to uphold democracy. According to Ramos, the government is facing three thorns which are threatening its security: the communist rebels, the leftist rebels, and the Muslims who want to be independent from the country. However, Ramos asserted that none of these forces has the ability to overthrow the government through violent means. Ramos also urged the people to continue to trust the ability of the Armed Forces and should continue to support the troops morally and spiritually.

More on Ramos Remarks on Marag Operations

HK1203050791 Manila MANILA BULLETIN in English 12 Mar 91 p 9

[By Manny Mogato]

[Text] Defense Secretary Fidel Ramos has given peace advocates the go-signal to undertake a mercy mission to Marag Valley in Kalinga Apayao and check reports of alleged human rights violations committed by soldiers.

But even as he ordered the military to allow the team to enter Marag, he justified the conduct of military operations in the area to dismantle the shadow government reportedly organized by communist guerrillas.

Ramos met a group of church and human rights leaders in Tuguegarao over the weekend to discuss alleged human rights violations by military troops in the Marag Valley.

The valley is the food basket of northeastern Luzon, covering two towns in Kalinga-Apayao and two towns in the Cagayan province.

It has been the production and training base of the New People's Army for years. The military believed that a rebel political government had been created in the area.

Marag has also been the scene of the military's largest operation in northern Luzon since January this year.

Ramos asked soldiers to allow peace advocates, who are bringing relief goods, to enter Marag Valley for at least a week to investigate the reported military abuses.

Brig. Gen. Orlando Soriano, the commander of the 5th Infantry Division based in Isabela, had denied reports that 74 children had died because of military operations.

While he admitted that some rice fields and houses might have been destroyed during an air strike, Soriano said the military had warned the residents to vacate the area a month before the operations.

"There were adequate warnings to the people to stay away from the areas where we would operate to avoid being caught in the crossfire," he said. "We had dropped leaflets asking them to stay away from the area."

Ramos defended the military action in the valley even as he pledged full support and cooperation to the fact-finding mission by church and human rights groups.

AFP [Armed Forces of the Philippines] chief of staff Gen. Rodolfo Biazon had earlier branded as "exaggerated" the reports of the children's death and other human rights cases in Marag.

He said that contrary to the report of non-government organizations, only two children had died due to illness.

AFP deputy chief of staff for civilian-military operations Brig. Gen. Emiliano Templo had said: "These false charges of human rights groups are part of the disinformation campaign of the rebels to gain sympathy."

He said these would indicate a disruption of the military operations in the area.

Government Forces, Rebels Continue To Clash

NPA Logistics Chiefs Captured

BK0903114791 Hong Kong AFP in English 1140 GMT 9 Mar 91

[Text] Manila, March 9 (AFP)—Philippine authorities captured six communist logistics and explosives chiefs who were planning to expand their insurgent movement's use of explosives, the Philippine Army head said Saturday.

Major General Lisandro Abadia said the six were caught meeting in a safehouse of the Communist New People's Army (NPA) in a suburb of the capital Friday.

Those captured were Danilo Rey, head of the NPA Logistics Department, his deputy, Louie Antonio Martinez, the head of the Logistics Department's arms and ammunition group, Beato Lacaba, and three other explosives experts.

Maj. Gen. Abadia said they comprised almost the entire leadership of the NPA's Logistics Department.

"These are top logisticians, including licensed engineers. These are quality people in the NPA," he said.

The authorities also seized an M-1 carbine, a .38 caliber revolver, a .22 caliber pen-gun, explosives, detonating cords, blasting caps, a fragmentation grenade, two photocopying machines, a mimeographing machine and documents.

The papers outlined projects to produce 60mm mortars, develop anti-tank weapons, convert M-1 garands to M-14 rifles, and make and distribute explosives with sophisticated detonating devices.

"They are planning something which involves explosives," Maj. Gen. Abadia said.

The documents also included plans for radio broadcasts as well as video and photo documentaries, he said.

The general said the six were believed involved in a spate of bombings here and in other parts of the country in 1990 and 1991, possibly including attacks on U.S. cultural centers and a Voice of America radio station.

Families Abandon Homes, Fields

HK0903033791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Mar 91

[By Restie de Quiros of Mobile Unit No. 8]

[Text] Hundreds of families are abandoning their homes and fields for fear of an impending confrontation between government troops and returning communist terrorists involved in the bloody 1989 Digos Massacre.

In a report submitted to Philippine National Police [PNP] Director General Cesar Nazareno by Director Manuel Saligbango, of [word indistinct] regional command 11, the communist rebel group led by Amado Payot, alias Commander Binsar, is said to be terrorizing a barangay in Bansalan, Davao del Sur; yesterday morning they killed a woman and injured a man. It was also reported that another resident is missing.

It can be recalled that on 25 June 1989, 99 churchgoers, some of whom were children and women, were massacred by Commander Binsar and his men inside a chapel in Sitio Rano, Binaton, Digos, Davao del Sur. They left six injured. The survivors did not join the evacuation.

According to the report, almost 50 percent of the residents in the terrorized Barangay Alta Vista, Bansalan, are afraid of fleeing from their place. The victim was identified as Nenita Caparida and the injured was Labilo Sanchez, both of Alta Vista. The missing person was identified as Bobong Alfondio.

The report also stated that the communist terrorist group arrived fully armed with various kinds of high powered weapons, including three M-60 light machine guns and explosives, which scared the residents of Alta Vista. No report has been given regarding the current situation of the Alta Vista residents.

3 Rebels Killed in Leyte

HK1203103991 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 12 Mar 91

[By Restie de Quiros]

[Text] Three New People's Army [NPA] rebels were killed while four others were seriously wounded in an encounter with elements of the Philippine National Police [PNP] in Leyte. This was disclosed today in a report sent by Regional Command [Recom] 8 PNP director, General Vicente Garcia to PNP Director General Cesar Nazareno. The encounter occurred in sitio Makunkugon, barangay Poblacion, Albuera, Leyte last Sunday. The police did not identify the slain rebels. The four wounded rebels were said to have been carried away by their fleeing comrades. It was learned from the report that the elements of the 362d PNP Company were carrying out a combat operation, along with the Citizen Armed Forces Geographical Unit active auxiliary, when they encountered about 30 NPA rebels in the area. A 40-minute gunfight ensued. No one was reported hurt on the police side. Various types of firearms were seized from the rebels.

Meanwhile, a former PNP official was killed while four civilians were seriously wounded in a grenade explosion and shooting by unidentified men believed to be NPA rebels in Cotabato, last Sunday. In a report submitted to Nazareno by Recom 12, the incident occured at about 1900 in a shell station in Quezon Boulevard, Kiddapawan, Cotabato. Killed was former Police Captain Igmidio Benjamin of the Kiddapawan Police Station. The wounded civilians have not yet been identified. According to the report, the victim had just been to the station when a grenade was hurled at him by the assailants who also sprayed bullets on him. Four civilians were seriously wounded by shrapnels from the exploding grenade. The assailants fled immediately after the incident.

12 Killed in Agusan del Norte

HK1103090091 Manila MANILA BULLETIN in English 11 Mar 91 p 16

[By Jay Valleser]

[Text] Cagayan de Oro City—Twelve persons, including four government soldiers, were killed while two others were wounded when a band of about 40 New People's Army rebels attacked an army detachment Thursday last week in barangay Aclan, Nasipit, Agusan del Norte, military reports said.

Brig. Gen. Quintin Alcodia, 4th Infantry division chief, identified the Army casualties as Cpl. Domingo Pal, detachment commander; Pfc. [Private First Class] Danny Soriano, and Pfc. Joel Orencia, all of the 30th Infantry battalion. Wounded were CAA [expansion unknown] Conrado Salvallon and CAA Danilo Maru.

Alcodia said that the attack occurred at 9:30 p.m. on Thursday with the rebels using high powered firearms, including one M-16 machine gun.

About 15 Army soldiers backed up by civilian volunteers fought bravely for one hour and 15 minutes, refusing to be overrrun by the rebels who enjoyed superior number.

The sound of approaching reinforcement troops forced the rebels to withdraw, leaving behind the bodies of their dead comrades.

16 Arrested in Palawan

HK1103052691 Manila MANILA BULLETIN in English 11 Mar 91 pp 1, 18

[By Owen Masaganda]

[Text] Camp Vicente Lim, Laguna—A group of former student activists who are suspected of organizing an underground movement affiliated with the Communist Party of the Philippines (CPP) in Palawan was believed busted after police and troopers of the Western Command (Wescom) arrested 16 of their leaders.

Chief Superintendent Evaristo Carino, chief of the Philippine National Police (PNP) in Region 4, reported to PNP Director General Cesar Nazareno that some officials of the Haribon Foundation in Palawan are linked to the subversive organization and the CPP.

Arrested were John Flores, his wife Mary Joy Feria and 14 others. They were charged with violation of Republic Act 1700 or the Anti- subversion Law before Puerto Princesa Executive Judge Sabas R. Acosta.

John and Mary Joy, however, escaped while under detention and are now the subject of a nationwide manhunt, police said.

Carino said Superintendent Nestorio Gualberto and Wescom troopers raided the subversives' quarters in Puerto Princesa City by virtue of a search warrant issued by the city judge.

Gualberto reported to Nazareno and Carino that during the search of the suspected CPP-NPA [New People's Army]-NDF [National Democratic Front] safehouse on Sandoval St., Puerto Princesa City, the raiders were accompanied by the city prosecutor and the barangay captain of the area. A lawyer of the suspects arrived later.

The raiders found two handguns, one .38 caliber and one .22 caliber; one 12-gauge shotgun, and various ammunition. Gualberto reported that they also found subversive documents and photographs.

City prosecutor Nelia Yap Fernandez also charged the Flores couple with illegal possession of firearms before city Judge D. Salva, who recommended P [peso] 170,000 bail each for their provisional liberty.

The military said the suspects are former members of the Manila- based Kabataang Makabayan, an underground student organization formed in the early 1970's.

Gualberto said confiscated documents affirm that John and Mary Joy were married in Communist Party rites officiated by a top rebel officer identified as "Ka [Comrade] Marcia."

Captured party leaders in Southern Tagalog said last December that some officers of the Haribon Foundation, an environmental group, and the Ecumenical Movement for Justice and Peace are linked with rebel activities.

Brig. Gen. Braulio Balbas, Wescom chief, said the Haribon has been operating in Palawan since 1980. He said Haribon is pretending to be a militant environmentalist organization but is actually a front of the communist movement.

4 Killed in Agusan del Norte

HK1003013091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 9 Mar 91

[By Vic Pambuan]

[Text] Four communist terrorists were killed while an undetermined number of their colleagues were wounded in an encounter in Region 10. At the same time, a Moro National Liberation Front leader and his men surrendered to government troops in Region 12.

In a report sent to Camp Aguinaldo, it was learned that on 6 March at about 0400 GMT about 40 communist terrorists headed by a certain Commander Leonardo Gatornica alias Jojo and Roberto Magtalilong alias Enteng raided the Aklan Patrol Base of the 3d Philippine Army Infantry Battalion, Charlie Company in Barangay Aklan, Masipit, Agusan del Norte. Soldiers of the Armed Forces of the Philippines fought against the communists for one and a half hours which resulted in the killing of the four communist rebels and the wounding of undetermined number of communist terrorists. The government troops confiscated an armalite rifle.

In another development, Commander Savatore Nuga alias Victor and Las Pomadas, together with his followers surrendered to the government, bringing along their firearms on 5 March at about 0345 GMT. They surrendered to the 627th Infantry Battalion in Camp Ranao, Marawi City, Lanao del Sur. They turned over arms such as one AK-47, a Thompson .38 calibre, a .30 calibre Springfield, and many others.

Aquino Remarks on Return of Imelda Marcos

HK0903040191 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 8 Mar 91

[Text] The government reportedly will not oppose a proposal to allow former first lady Imelda Marcos to personally appear in Philippine courts to face criminal cases filed against her. President Aquino gave the assurance in reaction to a statement by David Castro, Philippine Commission on Good Government chairman, saying that Mrs. Marcos should be allowed to return home from the United States. Castro maintained that Mrs. Marcos' failure to face her cases may result in the government's losing the case due to a technicality. However, the president stressed that the former first lady's return to the country should be at the right time.

Imelda Marcos Welcomes Statement

HK0903040491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Mar 91

[Text] Mrs. Imelda Marcos welcomed President Aquino's statement which stated that the former first lady can return to the Philippines at the right time. Roger Tayuan, Mrs. Marcos' spokesman, stated that the former first lady is now preparing to bring home the former president's remains. Here is a part of Mrs. Marcos' statement read by Roger Tayuan from New York:

[Begin recording in English] We are very happy that President Corazon Aquino made the decision to let us come home. Now, we can start making plans for the burial of the remains of the late President Ferdinand Marcos in the Philippines.

So, that is the only message which Mrs. Marcos wants to convey in reaction to the developments in our country regarding the statements issued by Chairman Castro and President Aquino. [end recording]

When asked if Mrs. Marcos will run for the presidency should she be allowed to return to the Philippines, her spokesman replied:

[Begin recording] At present, nothing is mentioned about politics, especially about the presidential elections. [end recording]

Former first lady Imelda Marcos is now holding talks with major construction companies in the United States in an effort to convince them to employ Filipino workers for their Middle East contracts. Roger Tayuan admitted that Imelda had started talking to the presidents of big firms in America even while the war was still in progress. Again, Roger Tayuan:

[Begin recording] While the war was raging in the Middle East, Mrs. Marcos was negotiating with the presidents of big construction firms in America who may be involved in the rehabilitation of the war-torn Middle East countries. Due to her previous dealings with these contruction firms' presidents, she arrived at an understanding with these firms that if she was allowed to return to the country, they would give good consideration to her proposal to give Middle East job contracts to Filipinos. [end recording]

Thailand

Peacekeeping Council Orders Travel Restrictions

BK1203013391 Bangkok THE NATION in English 12 Mar 91 p A4

[Text] The National Peacekeeping Council [NPKC] has ordered that all former Cabinet members facing investigation for alleged corruption must seek its approval if they want to leave the country.

NPKC leader Gen Sunthon Khongsomphong said the order did not apply to ousted prime minister Chatchai Chunhawan, who is scheduled to leave for Switzerland today.

Supreme Commander Sunthon also said the NPKC-appointed committee investigating 25 politicians including Chatchai on corruption charges could summon any of them back from overseas tours for interrogation.

Sunthon added that the NPKC's overseas travel ban on nine people including some of Chatchai's close aides remained in effect. But he indicated that if the nine wanted to go abroad the NPKC would be understanding.

Chatchai is scheduled to leave for Switzerland this morning following his release on Saturday by the NPKC.

The inflow of visitors to Chatchai's Soi Ratchakhru residence continued for the third consecutive day yesterday. Chatchai, dressed in a track suit, smilingly greeted the well-wishers.

Former justice minister Chamrat Mangkhararat told reporters after a brief meeting with Chatchai that the ex-prime minister looked "very fresh".

"He's in fine shape, not fat or thin," Chamrat said.

A Buddhist monk arrived in a taxi at Chatchai's residence shortly after 9 am.

Among the visitors were senior Chat Thai Party members, including Pramuan Saphawasu and party secretary-general Banhan Sinlapa-acha.

Chatchai has resigned as Chat Thai leader and announced he would quit politics.

Meanwhile, former deputy prime minister Athit Kamlang-ek, who was released along with Chatchai on Saturday, said he would decide wehther to remain in the political arena after a permanent Constitution was promulgated.

An interim National Assembly was expected to be set up this week to draft the permanent Constitution.

Athit denied that he had been physically assaulted by his military captors during his detention. He claimed an apparent bruise on his cheek occurred because he had taken an old-style medicine and suffered an allergic reaction.

Athit, who has also expressed his desire to go overseas, said he would spend his current free time writing.

"Maybe I'll write something about love because this kind of story causes no harm to anybody," he said.

Defense Minister Says No Change in Policies

BK1203031591 Bangkok THE NATION in English 12 Mar 91 p A4

[By Yindi Loetcharoenchok]

[Text] Admiral Praphat Kritsanachan yesterday assumed office as defence minister amid senior officials' pledges to give him their full support and cooperation.

Praphat, who becomes the country's 27th defence minister, told reporters after his first meeting with the ministry's senior officials that all the ministry's told reporters after his first meeting with the ministry's policies would be left intact, becaue he and his two deputies, ACM [Air Chief Marshall] Phisit Salikhup and Gen Wimon Wongwanit, were taking up duties on a temporary basis.

"Everything remains unchanged. The policies remain the same, because we are to work here just temporarily," he said.

Praphat, who retains two other posts, as navy commander in chief and deputy chairman of the National Peacekeeping Council, was welcomed upon his arrival yesterday morning by Armed Forces Chief Gen Sunthon Khongsomphong, his two ministerial deputies and senior ministry officials, including permanent Secretary Gen Wanchai Ruangtrakun.

He was later escorted to pay homage and respects to the ministry's spiritual shrine, "Chao Pho Ho Klong", to visit his new office and finally to be briefed on ministry policy and affairs.

Gen Wanchai told Praphat in his welcome speech that the officials here were confident that the defence minister and his two deputies would "help bring progress and development to the ministry's office of the permanent secretary, other key offices, the supreme command, the three armed forces offices and others."

Wanchai said he and his subordinates would "always stay beside" the three ministers "to help assist them in their work."

Praphat, who appeared in business suit, said after the pledges of allegiance that the briefing he was given concerned the organizational work, and that there was nothing special. He said he believed the ministry would function well as "there is excellent cooperation" among the agencies and officials concerned.

The defence minister said he would come to the ministry whenever there was work awaiting him; otherwise, he would stay at the navy command headquarters.

On the mid-year reshuffle at the navy command, Praphat said he had first to consult with his colleagues on whether there was a necessity for such a move.

"We need first to hold talks on that, whether there is any necessity for such a reshuffle. We reshuffle only when needed. If there is no necessity, then we don't do it," he said.

Praphat, who is due to retire in October, said he would be the one to make the reshuffle list before his retirement.

Prime Minister Appoints Government Spokesperson

BK1103143791 Bangkok Domestic Service in Thai 1200 GMT 11 Mar 91

[Excerpt] [Passage omitted] Speaking to reporters at Government House this afternoon, Prime Minister Anan Panyarachun introduced to reporters Ladawan Wongsiwong, who is to be the new Government House spokesperson. On his reasons for appointing Ladawan, the prime minister said she played an active role in environment conservation and that he wanted a young person to help advise him on issues of the future. He felt that being in the media circle, Ladawan should get good cooperation from her former colleagues.

Anan said he hopes to sign an order appointing Laddawan today or tomorrow.

THE NATION Favors Civilian National Assembly

BK1103035491 Bangkok THE NATION in English 11 Mar 91 p A8

[Editorial: "The National Assembly"]

[Text] Article 6 of the interim Constitution calls for the formation of a national assembly consisting of 200-300 appointed members. The National Peace-Keeping Council [NPKC], through its chairman, Gen Sunthon Khongsomphong, is in charge of selecting qualified persons for appointment by His Majesty the King to the assembly.

Gen Suchinda Khraprayun, deputy chairman of the NPKC, indicated yesterday that a large number of military officers would be nominated for royal appointment because they would be instrumental in maintaining political stability in the assembly and security in the political system. The general likened it to the appointment of senators in the previous parliamentary system.

In the last Senate, military officers, including some senior retirees, made up about one-third of the upper house. In the 35- member Anan Cabinet, only eight Cabinet members are senior military officers, or slightly less than one-fourth.

If the composition of the Cabinet is any indication, the NPKC is unlikely to pack the national assembly with a majority of military officers. The NPKC knows that only a civilian-dominated national assembly, like the civilian-dominated Cabinet of Premier Anan Panyarachun, can win public trust and world recognition.

One of the most important tasks of the national assembly, whose formation is expected within this week, is to draft a new constitution. Under Article 10, the national assembly is supposed to appoint a committee of no more than 20 persons to draft the constitution.

The constitution-drafting committee should also have a civilian majority, preferably including some respectable veteran politicans. These politicans can tell from their experience which new ideas will work and which won't.

Military leaders in the NPKC are known to advocate a few political ideas, like separating the legislative branch from the executive; instituting a single-member election district system (the so-callled one-man, one-vote system); permitting bureaucrats and military officers to hold appointed political posts; and an elected upper house with higher qualifications for its candidates.

In selecting qualified people to the national assembly, the NPKC leaders must resist the temptation to nominate only those who tend to agree with them. In order to rebuild a better political system—that will really work in reality—the national assembly should include those who don't always see eye to eye with the NPKC leaders.

In seizing government power in the coup on Feb 23, the NPKC leaders came under the obligation to return the power to the people as soon as feasible. So far the NPKC has publicly acknowledged this obligation and shown understanding of the need to return power as soon as a rebuilt political system is ready.

Appointing the Anan Cabinet was a major step in the right direction. We hope the NPKC will continue along this path and form a national assembly that truly reflects and represents the diversity and dynamism of Thai society.

Editorial on Chatchai Administration Shortcomings

BK1203031791 Bangkok BANGKOK POST in English 12 Mar 91 p 4

[Editorial: "Learning Lessons From Past Mistakes"]

[Text] The Thai people are known for their penchant to forgive and forget. Unsuccessful coup plotters in the past were normally pardoned and rehabilitated after serving varying periods in exile or disgrace. The successful ones, of course, would enjoy their place in the sun and, in turn, accord decent treatment to the government leaders they deposed. As former prime minister Chatchai Chunhawan is scheduled to leave the country today for a sojourn to

Switzerland of unspecified duration, it provides an opportunity to reflect on the shortcomings—and achievements—of his administration so that the various new authorities can try to correct the shortcomings of the past and carry on whatever positive policies were being initiated.

There is no dispute that Thailand enjoyed an unprecedented period of high economic growth in the three years spanning 1988-90 during which Gen Chatchai served as prime minister. It is true that Gen Chatchai assumed office at a perfect timing as the economy was about to take off after the lengthy era of prudent economic management and confidence building by his predecessor Gen Prem Tinsulanon. What Gen Chatchai succeeded in doing was capitalising on the country's fundamental economic strength and spurring it to excel further. The outcome was a near spontaneous outburst of dynamism which contributed to the overheating of several key economic sectors.

There was also commendable liberalisation on the political and social fronts. In propagating the role and image of an "elected" government, the former administration's responsiveness to the grievances of pressure groups and the plight of the under-privileged created an atmosphere of democratic euphoria. Repressive edicts like the press-gagging Decree 42 were abolished to allow greater freedom of expression while the long-pending social security law, the promulgation of which was the target of several failed attempts by previous governments, was finally pushed through to guarantee a permanent welfare system for the lot of labourers.

But these positive developments were achieved at a high cost. For a start, the benefits from this recent era of high growth were distorted by its unregulated pattern. Though the average annual Gross Domestic Product (GDP) expansion of over 10 percent in the last three years effectively put Thailand as the highest growth country in the world, a large part of this "national prosperity" was concentrated among the urban-based mercantile and entrepreneurial classes, with little trickle-down effect to the majority of the rural poor. The unregulated growth pattern also aggravated already deteriorating environmental conditions.

More serious were the extensive abuses in the parliamentary system and proliferation of corruption in governemnt circles. Against a steady erosion in public faith, the attractiveness of the system became neutralised by a problem of corruption to the extent that there was open debate over whether it was worth the country's while to pay such a high price for perpetuating the system. Now was the situation helped by the absence of a decisive stance on Gen Chatchai's part. In the end, what was perceived to be growing assertiveness by the former leadership over the armed forces partly prompted the coup d'etat. The rest has become history.

The National Peace-keeping Council has singled out a solution to the vote buying problem as its overriding political goal. Since the necessary measures and mechanism have yet to be laid out in the new constitution, much remains to be seen whether the desired objective can be achieved. What appears to be more certain, though, is the prospect that administration of state affairs during this crucial turning point is left in good hands. Caretaker Prime Minister Anan Panyarachun and his civilians-dominated Cabinet have won resounding approval at home and abroad. Given the prime minister's own successful record both in the public and private sectors, plus the proven capability of most of the technocrats and professionals in his team, it is realistic to expect that short-term problems will be effectively addressed and the foundation for longer-term development will be laid as promised by Mr Anan.

Australian Ambassador, Foreign Minister Meet

BK1103161691 Hong Kong AFP in English 1136 GMT 11 Mar 91

[Text] Bangkok, March 11 (AFP)—Continuation of Australian aid to Thailand remains subject to the junta returning the country to democracy as quickly as possible, an Australian Embassy official said here Monday.

The Australian position was spelled out during a 15 minute meeting between Ambassador to Thailand Richard Butler and Thai Foreign Minister Ara Sarasin, the official said. Mr. Butler also told Mr. Asa his government was looking to the military authorities to observe human rights.

Australian officials described the meeting as a means to create a working relationship with the military appointed government.

Mr. Butler is due to meet Prime Minister Anan Panyarachun Tuesday.

The close links between Australia and Thailand have been reflected in a major push by the government and commercial sectors to boost reciprocal trade to more than double the 1987-88 levels. In the 1989-90 financial year, trade between the two stood at 1.04 billion Australian dollars (820 million U.S.).

Sunthon on Cambodia; Meets Iranian Envoy

BK1103145791 Bangkok Army Television Channel 5 in Thai 1230 GMT 11 Mar 91

[Text] Supreme Commander and Chairman of the National Peacekeeping Assembly [NPA] General Sunthon Khongsomphong received Ambassador Mohammad Mehdi Sazegara of the Islamic Republic of Iran at 1100 today. The Iranian ambassador to Thailand called on Gen. Sunthon to offer his congratulations and recognition for the action taken by the NPA. Gen. Sunthon exchanged views with the Iranian ambassador on strengthening bilateral relations.

Gen. Sunthon later granted an interview to newsmen on the proposal by Hun Sen, the Cambodian leader, to have Thailand host another meeting to solve the Cambodian problem. Gen. Sunthon said he personally sees no point in hosting such a meeting. Thailand has already hosted several meetings for the Cambodian factions, but there has been no success. Each time they came, the Cambodian factions had no intention to solve their own problems, but quarreled over certain interests. Asked whether Thailand would hold another meeting on Cambodia, the supreme commander said he did not know and told reporters to ask the prime minister.

Minister Says Phnom Penh Office Plans Postponed

BK1203031191 Bangkok THE NATION in English 12 Mar 91 p A1

[Text] Foreign Minister Asa Sarasin said yesterday plans by the previous administration to set up a trade representative office in Phnom Penh would be put on hold until the Cambodian conflict has been settled.

"We want to deal with a legal government," Asa said, implying that Bangkok would only offer recognition to a government of national reconciliation formed through negotiations between the present government in Phnom Penh and the resistance groups.

Asa's remark, coupled with a previous statement by army chief Gen Suchinda Khraprayun that all four Cambodian factions, including the Khmer Rouge, should not be ignored in a political settlement, appears to differ from the stand taken by the second administration of ousted premier Chatchai Chunhawan.

Gen Chatchai's policy advisers had been privately criticized by the military for their alleged sympathy to the Phnom Penh government.

Asa, known for an excellent working relationship with the military during his diplomatic service, also said that Bangkok would not play a leading role in peace efforts for Cambodia unless the Cambodian factions wanted Thailand to do so.

However, he said he shared Chatchai's objective that Thailand should strengthen trade ties with Indochinese countries, particularly Vietnam despite the continued Cambodian stalemate.

"We (Thailand) want to see the Cambodian problem resolved as quickly as possible, but it depends on the Cambodians themselves," the new minister said at a "meet the press" party held last night at the Foreign Ministry which was attended by about 200 Thai and foreign reporters.

He added that he was ready to talk with all four Cambodian parties but had no plans as yet to travel to Cambodia or any country as he had a lot of work on the "home front".

In general, he said, Thailand's basic foreign policy objectives would remain unchanged.

The function, which was part of a campaign to boost Thailand's image in the international community, was also attended by Prime Minister Anand Panyarachun, two of his deputies, Pol Gen [Police General] Pow Sarasin and Dr Sano Unakun, Interior Minister Gen Itsaraphong Nunphakdi, PM's [Prime Minister's] Office ministers M.R. Kasemsamoson Kasemsi and Michai Wirawaithaya, Deputy Finance Minister Dr Wiraphong Ramangkun and Commerce Minister Amaret Sila-on, among others.

Asked about building international confidence about Thailand, Asa said he felt the world community was satisfied with what had been done here.

"They're pleased to see the progress—a government composed of capable civilians; the release of former prime minister Chatchai (Chunhawan) and a process underway to set up a national assembly," he said.

During the party, M.R. Kasemsamoson said the US victory in the Gulf could lead to an more active role for the United States in Southeast Asia and Thai-US cooperation to overcome the Cambodian deadlock.

He said the victory had enabled the United States to get away from the so-called Vietnam Syndrome, which had led to a strong public sentiment in that country against any military involvement abroad.

"I am optimistic that Thailand and the United States will strengthen cooperation on US policy towards Southeast Asia, which is expected to become clearly defined in the future," said Kasem, who was noted for his outstanding diploamtic career before he quit the top post as permanent secretary to join the caretaker Cabinet led by Premier Anan Panyarachun.

Kasem also said that Thailand needed support from the United States for the Thai policy to increase economic cooperation with the Middle East countries because of the key role the United States would play in the reconstruction of Kuwait.

Sunthon Receives Letter From Cambodia's Ranariddh

BK1103100791 Bangkok SIAM RAT in Thai 8 Mar 91 p 16

[Text] The Supreme Command's Information Office has reported that Prince Norodom Ranariddh, commander in chief of the Sihanoukist Force, sent a letter to General Sunthon Khongsomphong, supreme commander and chairman of the National Peacekeeping Assembly, congratulating the latter following the successful takeover of administrative power.

In the letter, Prince Ranariddh congratulated Gen. Sunthon for being appointed by a royal command as leader of the National Peacekeeping Council. He expressed hope that Thailand would continue to give the same support to his faction as in the past. He thanked Thailand for previous assistance given to Cambodia, including efforts to achieve a peaceful solution to the Cambodian problem.

Interior Minister Remarks on Labor in Middle East

BK1103025991 Bangkok THE NATION in English 11 Mar 91 p A6

[By Kritsana Phansunthon]

[Text] Extensive exports of Thai workers to the Middle East in the post-war period may hamper the country's economic (?development) as some large-scale projects, like the Eastern Seaboard and the Southern Seaboard developments, still needed to employ a large number of workers, warned Interior Minister Itsaraphong Nunphakdi.

The Thai Embassy in Riyadh announced on Mar 7 that Saudi Arabia wants to hire at least 16,000 Thai workers for its restoration work.

Phichawat Chomchun, president of the ITMC Co, an overseas job placement agency, said recently that Saudi Arabia, Kuwait and Iraq are badly in need of a large number of highly-skilled overseas workers for the construction and repair of buildings and other facilities destroyed during the hostilities in the Gulf.

Kuwait, meanwhile, said it would have to spend about $100 billion to reconstruct the country within the next 10 years.

"We expect the influx of Thai labour to the Middle East will eventually result in the shortage of workers at home," said Phichawat.

Son Sikaeodaeng, president of the Thai Contractors Association, said some foreign construction companies are trying to attract Thai labourers to work on their projects in the Middle East by offering attractive salaries.

"They can earn much more in those countries than they can in Thailand," said Son.

The post-war restoration programmes will certainly benefit at lease 30 local job placement firms, some of which had to close during the Gulf War due to the lack of business.

A source in a job placement agency said his firm is now waiting for labour import orders from companies based in the United States, Kuwait and Saudi Arabia and will open for job applications at the end of this month.

More than 10,000 Thai workers in Saudi Arabia, Kuwait and Iraq were brought home before and during the fighting between the US-led multinational forces and the Iraqi troops.

"Those who came back to Thailand have not yet looked for new jobs. They are still waiting to return to their old jobs in the Middle East," said Som Supphanakon, director of the Labour Department's Labour Relations Division.

A source said the Labour Department has been cooperating with the Foreign Ministry to arrange for Thai workers to get their visas for Saudi Arabia.

Regarding warnings about the anticipated domestic labour shortage, Assoc Prof Wisut Photan, Dean of Thammasat University's Faculty of Political Science, said the government should prepare to deal with the situation by increasing the wage rates and improving the welfare of workers, as that might help deter Thais from seeking employment abroad.

The deposed government of Gen Chatchai Chunhawan had earlier approved the tri-partite National Wage Committee's proposal for the increase of the daily minimum wage to Bt [baht] 100. The new wage rate will be effective on Apr 1.

Some labour leaders, however, had expressed dissatisfaction with the new wage scale and demanded that the daily minimum wage be raised to Bt112 per day.

But after a meeting with Army Commander-in-Chief Suchinda Khraprayun, deputy leader of the National Peacekeeping Council after the Feb 23 coup, labour leaders pledged to accept the daily minimum wage of Bt100, but asked that the military junta help reduce the price of petrol and other commodities.

Interior Minister Itsaraphong Nunphakdi, meanwhile, said any wage increse must be carefully considered by taking into account the cost of living, the consumer price index and the current economic situation.

Trade Mission To Explore Sales to Kuwait

BK1203032191 Bangkok BANGKOK POST in English 12 Mar 91 p 13

[Text] A Thai trade mission will contact Kuwaiti buying agents to explore opportunities with that country.

The Exports Promotion department's team will visit Kuwaiti buyers based in Dubayy in the United Arab Emirates and in Saudi Arabia.

Department director-general Oranut Osathanon said yeserday that Deputy Permanent Secretary Chalo Fuangarom this month will lead a team to contact Kuwaiti authorities.

Speaking at a seminar on strategies to solve the exports crisis now the Gulf war has ended, she said the mission will track down markets and counter the dominance by some countries, especially the United States, which is expected to gain healthy benefits from its leadership of allied forces in the war.

The delegates will contact the Committee for Kuwait Goods, in Dubayy, and negotiate with the Kuwait Task Force in Saudi Arabia to find ways to supply Kuwait with goods.

Mrs Oranut said although the US is expected to flood the area with goods in trade deals or aid, there is a chance for Thailand to capture a healthy market share for some products, such as food and clothes.

The department net month plans to send another trade mission, representing more than 35 firms, to promote Thai exports in the Middle East.

The Government may assist exporters supplying some Middle East countries facing financial problems.

Economic Board Raises Growth Forecast to 9%

BK1203032591 Bangkok BANGKOK POST in English 12 Mar 91 p 13

[Text] The National Economic and Social Development Board (NESDB) has raised Thailand's economic growth forecast this year from 7 percent to 9 percent with the end of the Persian Gulf war.

NESDB secretary-general Dr Phisit Phakkasem said yesterday the inflation forecast for the year has also been cut from 8 percent to 6 percent as world oil prices have returned to a normal level of US$20 a barrel.

He said Thailand's growth in gross domestic product (GDP) will reach a high level of 9 percent this year with the world economy picking up and reconstruction of war-torn countries in the Gulf.

The US economy this year will expand by at least 2 percent higher than estimated at the end of last year, according to the latest estimate.

US businesses and investors have been very active in seeking contracts to help Kuwait and Saudi Arabia rebuild after the war. This will create a strong demand for goods, services and labour.

World interest rates and inflation will also be lower than expected.

Dr Phisit said although crude oil imports have stabilised at $20 a barrel, finished oil products are still at a high level of around US$29 a barrel because of insufficient refining capacity worldwide.

The recovery of the world economy will help Thailand's tourism industry, he said.

About 5.3 million tourists are forecast to visit Thailand this year, bringing in around 124,000 million baht in revenue.

Remittances from Thai workers in the Middle East, which dropped significantly during the Gulf war, will recover to the normal level of 25,000 million baht, a rise of 15 percent from that of the preceding year.

Private investment this year will also rise 9.5 percent against an earlier estimate of 8 percent because interest rates have dropped while the investment climate will improve steadily.

Overall, GDP growth this year is forecast to reach 9 percent. The manufacturing sector will grow 10.5 percent, services 9 percent and agriculture 2 percent.

Agriculture's growth will be small because of drought and other problems.

Exports are expected to grow by 17 percent to 690,000 million baht against the earlier estimate of only 670,000 million baht, while imports are put around 940,000 million baht.

The country will be able to save 20,000 million baht alone through the cost of oil imports declining.

Thailand is forecast to record a 250,000 million baht trade deficit and 154,000 current account deficit this year.

Because the country faces these high deficits, Dr Phisit said it must implement measures to earn more revenue by promoting tourism and promoting exports and the sending of more workers to the Middle East.

The Government should also have a clear cut policy to help solve low commodity price problems which are lowering farmers' buying power, he said.

He warned a shortage of labour and raw materials could recur if more workers go to the Middle East, adding the Government should provide greater flexibility for imports of raw materials.

While external pressure on inflation has gone down, there is still a need for the country to be cautious in implementing fiscal, monetary, wage and government salary policies, he said.

Meanwhile, Minister Attached to the Prime Minister's Office Dr Phaichit Uathawikun said although the economy will continue to sustain high growth, urgent action is needed such as to provide more infrastructure and to protect natural resources and the environment.

Investment must not create water and air pollution, which means investors should not think only in terms of profit.

Dr Phaichit said the Government will soon set up a mechanism to screen major investment projects to see if they benefit the country. This may take the form of a committee to ensure projects go through the decision-making process without corruption.

He said some major development projects involve a 30 to 40 year commitment, but for some time only two or three people knew of them. The new mechanism will enable most of the public to be informed.

Normally, the NESDB handles screening of major projects but in the past most project initiators tried to avoid it and went directly to the Cabinet.

Minister, Others Remark on U.S. Aviation Talks

BK1203013991 Bangkok THE NATION in English 12 Mar 91 p B1

[By Phatchari Lunguthai]

[Text] Top government officials, including Transport and Communications Minister Nukun Prachuapmo and his deputy in charge of aviation matters, said yesterday that the fate of US airline flight frequencies to Bangkok will be decided by officials who will re-open talks with US counterparts next week.

Nukun and deputy minister Gen Wirot Saengsanit also denied a newspaper report that they were "instructed" by Gen Sunthon Khongsomphong, chairman of the National Peacekeeping Council [NPKC], to maintain the US flights to Thailand at current levels.

Gen Sunthon met US ambassador Daniel O. Donohue last week. The American envoy is understood to have raised the unresolved issue of bilateral air services between his country and Thailand with the NPKC chairman.

Nukun, who delegated authority to his three deputy ministers yesterday, told THE NATION that the ministry's policy on the issue had already been given to Mahidon

Changtharangkun, permanent secretary, who used to head the Thai negotiating team in aviation matters with the US.

The policy, which is not related to NPKC chairman Gen Sunthon's meeting with the US ambassador, calls for increased flexibility among Thai negotiators who will re-open talks with the US between March 18 and 20 in Bangkok. The minister stressed that Thai interests will however have to be protected regardless of a decision on the number of US flights to Thailand.

US airlines were informed late last year that they would have to cut the number of flights to Thailand from 37 to 28 per week from the end of March onwards. The cutback notice was given after both sides could not agree on the basis of the bilateral air service agreement.

Thai officials demanded that a totally new agreement be negotiated to be fair to Thailand with regard to capacity, but the US did not agree.

When asked about the report on the NPKC's instruction, allegedly indicating agreement from the Thai side to allow the continuation of US flights at current levels, Deputy Minister Wirot, a key member of the NPKC, replied that he does not believe that there was such an instruction.

U.S. Property Rights Talks End on Friendly Note

BK1103054191 Bangkok BANGKOK POST in English 11 Mar 91 p 3

[By Phonphimon Kanchanalak]

[Text] Los Angeles—Discussions on Intellectual Property Rights (IPR) between Thai and US officials in California have ended on an encouraging "friendly" note. The US must now decide what to do about pending cases against Thailand on the thorny issue.

The Thai delegation described the two-day meeting in Santa Monica, California, as "friendly and productive" but American officials refused to comment at all on the talks.

Dominating the first day of talks was the issue of enforcement of Thailand's copyright law which is the heart of the formal complaint filed by three copyright groups against Thailand under section 301. The petition was filed in November of 1990 and was accepted by the US Trade Representative (USTR) in the following month. The USTR's investigation is now in progress.

The three US copyright groups, namely the International Intellectual Property Alliance (IIPA), the Motion Picture Export Association of America, Inc (MPEAA), and the Recording Industry Association of America (RIAA), individualy and jointly petitioned the USTR to take trade action to obtain enforcement by Thailand of their legal rights.

The petition alleged that the Thai government's failure to enforce applicable Thai laws adequately and effectively has allowed pirating to be committed unhindered on a massive commercial scale. The petitioners questioned what they believed to be the unwillingness on the part of police and public prosecutors to punish crime involving piracy of copyrighted products.

At the meeting the US officials asked about the whole process of prosecuting piracy cases in Thailand. The Thai delegation explained that part of the problem that the US copyright groups were complaining about stemmed from the fact that in most cases the complaint was filed with local police station in the district the piracy was committed in rather than through the proper channels. Those channels are the police department's alien registration and taxation office or the office of crime suppression.

In general, local police stations do not have the expertise to handle copyright cases, nor do they have strong inclination to take immediate action against identified pirates. This is because they are frequently overloaded with more serious and urgent crimes such as murder, rape and armed robbery.

Thai officials suggested to the Americans that in order to obtain a swift and effective action petitioners have to learn to go through proper law enforcement channels, and understand all the legal procedures available to them. In the case of copyright violation, a petitioner can proceed with three different legal approaches—to go through the public prosecutor's office, to file a criminal charge or to make a civil claim against copyright infringers.

The American officials were told at the meeting that the police chief has sent out instructions to the police nationwide to pay close attention to copyright infringement cases.

The office of public prosecutor has come up with a draft guideline to be used throughout all prosecution districts for accepting a copyright infringement complaint.

The three sets of evidence that a plaintiff has to produce are:

—Evidence that the infringement is committed;

—Evidence that the US has the right to institute the prosecution—that the US firm owns the copyright; and

—Evidence that US is entitled to protection under Thai law—that the US is a member of the Berne convention which entitles the US copyright firms to the same rights and protection as those the Thais are enjoying.

The question of night raids and the crime categories which warrant such a raid were discussed. The US firms urged in their petition that Thai police conduct night raids against infringers because they normally manufacture pirated products at night.

The Deputy Permanent Secretary of Commerce Kroekkrai Chiraphet stressed that Thailand will proceed with the due process under Thai law against infringers. However, he said whatever Thailand does, it does according to law and not because of the pressure from the US.

The head of the Thai delegation also has strong words for copyright infringers.

"Anybody in Thailand committing copyright violation should discontinue committing such a crime and seek proper arrangements with copyright holders. The Thai government will not risk jeopardising Thailand's national trade interests for the sake of protecting the interests of a small group of people."

On Friday, the discussions focused on the issue of patent protection.

The Pharmaceutical Manufacturers Association (PMA) has filed a formal complaint with the USTR against Thailand under section 381. The USTR is to determine whether to accept the PMA's petition next week. The Thai officials spelled out the steps that have been taken toward amending the 1979 patent act.

Among the features which would be incorporated into the new law would be the inclusion of pharmaceutical products, an extended term of protection of 20 years, process as well as product protection for pharmaceutical products, stricter requirements for compulsory licensing. The draft proposal for the new patent law has been submitted to the committee chaired by permanent secretary Phatchara Itsarasena which will in turn go to cabinet for approval.

Thailand has made a commitment to the US that the cabinet will submit the new legislation to the parliament by the end of 1991.

"The changes that we have made in the current patent law are to make it up-to-date. Also it will serve the best of our country's interest, not because we are yielding to US pressure," said Kroekkrai.

Thai officials told their US counterparts that so far Thailand has been keeping the commitment made with the US and proceeded according to schedule. The PMA's petition does not at all reflect the progress that Thailand has made, said the delegation.

"We told the US what we have done but we never asked them not to accept the PMA's petition. We never asked them what the US government is going to do with Thailand. It's their prerogative," said Kroekkrai referring to the pending USTR determination on the PMA's petition and the special 301 provisions targeting priority countries of intellectual property right violations.

Although, the gap between the Thai and US position on the issue of patent protection has been narrowing. The point of contention remains the issue of the limit of compulsory licensing and the tightening of the protection of registration data.

Joint Air Exercise With Malaysia Begins

BK1103081091 Bangkok Army Television Channel 5 in Thai 1230 GMT 8 Mar 91

[Text] Supreme Commander Air Chief Marshal [ACM] Sunthon Khongsomphong and General Tan Sri Hashim Mohamed Ali, chief of the Malaysian Defense Forces, jointly presided over the opening of the joint Thai-Malaysian air exercise, Air Thamal 10, at the 56th Wing in Songkhla Province. The exercise, which will take 12 days, is aimed at improving air operations, joint tactical operations between the Thai and Malaysian air forces, search and rescue operations in combat zones, and joint air defense drilling along the Thai- Malaysian border. The exercise involves more than 400 airmen from both countries and various types of aircraft, including thirteen 6A, and 5A combat planes.

Supreme Commander ACM Sunthon Khongsomphong declared the exercise open. He said that Thailand and Malaysia face not only threats from internal terrorism or lack of security along their common border, but also from other common problems. Therefore there is a need for them to promote and develop a capability in joint air operations to resist threats and safeguard national sovereignty.

The Air Thamal exercise was first held in 1982. Thailand and Malaysia took turns in hosting the operations. This year Thailand plays host to the joint exercise.

Potential for More Border Trade With Burma Noted

BK1003101791 Bangkok Domestic Service in Thai 0530 GMT 10 Mar 91

[Text] It is feasible to trade consumer goods with Burma through the Mae Hong Son Province border area to meet the Burmese people's demand. Phithak Intharasap, deputy permanent secretary of the Commerce Ministry, remarked on this issue to a Public Relations Department reporter in Mae Hong Son.

[Begin Phithak recording] Ever since Burma granted logging concessions to Thai merchants, they have been bringing timber into Thailand through various border points in Mae Hong Son Province. In the future, these logging routes could possibly be used for the delivery of Thai consumer goods for the Burmese people. Thailand has a very high potential for sending our goods for sale in Burma. In return, Burma may also send various goods to our country. In order to reach this goal, the border trading system should be properly organized. Efforts should be made to eradicate the problem of goods smuggling, which I believe is a none-too-good method. The more goods smuggling continues, the more illegitimate trading becomes.

I had an opportunity to inspect certain passes through which cattle are brought into Thailand. There are now some checkpoints for the animals. This shows that the trading system has begun to improve. In the past, if the cattle were brought in illegitimately, the animals had to be quickly transferred. Foot and mouth disease, or other communicable diseases the animals brought in could pose problems for Thai livestock. This example shows that correct efforts are being made to rectify the problem. I believe that there is high potential for Mae Hong Son to become a conduit for trade with Burma. [end recording]

Vietnam

Thai Regime Expected To Continue Improving Ties

BK1203100691 Hanoi International Service in English 1000 GMT 11 Mar 91

[Text] Public opinion in Southeast Asia and the world has paid attention to the relations between Vietnam and Thailand after the military coup d'etat in Bangkok two weeks ago. Here is our radio commentary on this issue.

The military coup d'etat in Thailand resulted in changes in the Thai Government, not in its foreign policies. Immediately after taking office, Thai Prime Minister Anan Panyarachun said that there will be no change in Thailand's foreign policies. Thailand maintains friendly relations with countries in the region, especially neighboring nations. Thailand shows interest in promoting trade with Vietnam, Laos, and Cambodia, and pursues a policy of turning Indochina into a market place. It will undertake plans mapped out by the previous government to establish trade offices in Hanoi and Phnom Penh. Obviously, despite the political changes in Thailand, its foreign policies are not at all affected.

For its part, Vietnam reaffirms its efforts to maintain relations with Thailand. During the past two weeks, Vietnam and Thailand still kept in touch through their embassies. At a press conference last week, a spokeswoman for the Vietnamese Foreign Ministry said that a visit to Thailand of the Vietnamese chairman of the Council of Ministers would be dealt with at an appropriate time. The spokeswoman also affirmed Vietnam's invitation of the Thai foreign minister to visit Vietnam.

Meanwhile, last Saturday [9 March], the Thai Foreign Ministry spokesman, Mr. Sakthip Krairoek, maintained that the new foreign minister of Thailand, Mr. Asa Sarasin, would pay a visit to Vietnam after his tour of ASEAN countries. Thailand, he added, had accepted Vietnam's invitation and it would honor its commitment in whatever circumstances.

These are encouraging developments conforming to the aspirations of the two countries and public opinion in Southeast Asia. Like a significant coincidence, after Thailand pledged to continue its relations with Vietnam and other Indochinese countries, Indonesian President Suharto voiced his support to the admission of Vietnam, Laos, Cambodia and Myanmar [Burma] to ASEAN. President Suharto was quoted by the Japanese news agency KYODO as expressing his hope that these countries would soon join ASEAN.

In Malaysia, Prime Minister Mahathir Mohamed said that ASEAN began its negotiations with Vietnam and other Indochinese countries. All the leaders, he added, will be invited to the coming summit of ASEAN scheduled at the end of this year or early next year in Singapore.

The relations between Vietnam and Thailand as well as other ASEAN member countries have been developing with bright prospects.

Do Muoi Congratulates New Thai Prime Minister

BK1103155391 Hanoi VNA in English 1500 GMT 11 Mar 91

[Text] Hanoi VNA March 11—Chairman of the Council of Ministers Do Muoi has congratulated Mr. Anan Panyarachun on his appointment as prime minister of the Kingdom of Thailand.

In his congratulatory message, Chairman Do Muoi wished the Thai people happiness and prosperity and the friendship, cooperation and neighbourliness between Vietnam and Thailand further development in the interests of the two peoples, and for peace, stability and cooperation in Southeast Asia.

Foreign Minister Nguyen Co Thach has also sent congratulations to his new Thai counterpart, Mr. Asa Sarasin.

U.S. Postwar Plan for Gulf Region Analyzed

BK1103141591 Hanoi Domestic Service in Vietnamese 1430 GMT 8 Mar 91

[NHAN DAN 8 March Article by Le Ba Thuyen: "Washington's Postwar Plan in the Persian Gulf"]

[Text] In recent days, President Bush has on many occasions commented on the results of the Gulf war and vowed to struggle for peace and stability in the Middle East. In his statements, Mr. Bush drew everyone's attention to Washington's postwar plan for this part of the world where the flames of war are still roaring.

First, public opinion is concerned over the Bush administration's plan to prolong the U.S. military presence in the Persian Gulf. Over the past years, following the muslim revolution in Iran in January 1979, U.S. influence has declined in the region. This time, Washington regards its victory over Iraq as a rare opportunity to maintain and expand U.S. presence in the Persian Gulf and the Middle East.

On 3 March 1991, U.S. Defense Secretary Cheney plainly said that the United States has planned to consolidate its strong military presence in this region, chiefly its naval and air forces. This means that not all of the huge U.S. war machinery will be withdrawn. Many U.S. warships and aircraft will remain permanently in the Gulf.

Washington has devoted a great deal of effort to creating postwar security arrangements in the Gulf comprising American and pro-American Arab forces. According to the CHRISTIAN SCIENCE MONITOR in its 1 March issue, future security arrangements in the Gulf can now rely on a double-pillared base, namely greater U.S. support and the strong peacekeeping force of the Arab countries.

In fact, similar to what a Washington-based Arab diplomat has described as a military alliance in the making without fanfare, people have begun to quietly implement a plan to turn many units of a number of Arab countries participating in Operation Desert Storm into a permanent force in the region.

Second, to avoid huge costs in terms of time and money resulting from the deployment of U.S. forces and military equipment from half way around the world, the Pentagon has sought ways to keep heavy military equipment in the Gulf to serve as on-the-spot logistical bases for the Rapid Deployment Force (RDF), which can be airlifted to the region to carry out military activities immediately if necessary. The objective of this troop deployment is to serve Washington's scheme aimed at controlling the Gulf, which is rich in oil and which plays an important role in U.S. global strategy.

Public opinion notes that the American military bases in the Gulf also link U.S. led-NATO bases in Europe with other U.S. bases ranging from the Red Sea to Diego Garcia—which is regarded as a floating aircraft carrier in the Indian Ocean—and the Pacific Ocean and Clark and Subic bases in the Philippines. Together with hundreds of other bases in Japan and South Korea, those bases form a huge strategic belt around Asia and Europe at a time when the Warsaw Pact has announced its dissolution.

Another prominent trait of Washington's postwar plan is that after having inflicted heavy military losses to Iraq, the United States has continued to weaken and then knock out this nation economically and politically in an effort to overthrow President Husayn and place Iraq into the U.S. sphere.

As disclosed by USA TODAY, because the United States and its coalition have always tried to restrain Mr. Husayn's paws, it would be difficult for them to give up their goal now that it is within their reach. On 2 March, President Bush publicly advised the Iraqi people to get rid of Mr. Husayn. To this end, Washington has continued to impose the blockade and embargo against Iraq. In Mr. Bush's words, the United States will not spend even a dime on reconstruction in Iraq, thus depriving this country of ways and means to overcome the heavy consequences of war and making life more miserable and henceforth, sowing discontent among the Iraqi people and instigating them to stage an uprising to overthrow President Husayn. This dark scheme [words indistinct] further destabilizes the situation in Iraq and other countries in the region.

Third, in carrying out its postwar reconstruction plan in the Gulf, the U.S. capitalist cartel is likely to gain great benefits. In Kuwait alone, U.S. corporations have won contracts valued at billions of U.S. dollars. Noted U.S. strategist Kissinger said recently that it is necessary to have a treaty on socioeconomic development in the Gulf under the sponsorship of the Gulf Cooperation Council. The Council should be subjected to the control of the United States and other Western countries. Another important task of the U.S. postwar plan is to establish a new world order in the Gulf and the world. According to Mr. Bush's concept or the Bush doctrine as described by the Western press, the United States is now the world's sole superpower and as a result it should throw its weight over various regions in the world through the activities of the United Nations. Specifically, a new order should be established in the Gulf with priority given to nations siding with the United States such as Israel and Saudi Arabia, with the United States taking the leading role.

Washington also raised various issues that ought to be resolved in its postwar plan, including the Palestinian issue and the Arab-Israeli problem, in order to check military developments in Middle East countries.

U.S. has great ambition in the Gulf region but its postwar plan has serious contradictions. First, the contradiction between the Arab people and the United States. For many years now, the Arabs have strongly condemned the U.S. for fostering and backing Israeli expansionist aggression against many Arab countries, particularly the Palestinian people. This contradiction becomes even more acute now that the United States is trying to place Iraq and other Arab states under its control after the Gulf war, thus creating difficulties for all including Arab nations that sided with the United States in the war. The BBC commented that it is dangerous for countries in the Gulf and the Middle East to depend on the United States, especially when the Palestinian and Israeli peoples are struggling forcefully against each other. Second, there is the conflict of interests in the Gulf between the United States and other Western countries. The latter obviously does not want to see the United States monopolize the Gulf region. Many Western nations and Japan term their interests in the Gulf differently and each hopes to enhance its influence in the region. These contradictions will create obstacles and difficulties for Washington in implementing its Gulf plan. Third, the U.S. postwar plan is being launched at a time when the U.S. economy continues to slump into a prolonged crisis characterized by an increasing budget deficit and other economic ills, which are no small hindrances to Washington's postwar plan.

The war in the Persian Gulf is ending, while unresolved contradictions prevail in the region and the Middle East. Moreover, new contradictions and issues are emerging, thus making the situation more complicated and introducing new factors that threaten the peace and security of the region and the world. A French paper commented recently that the Middle East is still considered one of the most fragile regions in our planet while ambitious countries continue to struggle to put more territories under their influence.

All people of conscience in the world are demanding a fair and constructive postwar plan aimed at bringing long-lasting peace and stability to the Persian Gulf and the whole of the Middle East. All foreign armed forces must be completely pull out of the Gulf and the war must be ended quickly. The remaining problems in the region must be resolved by the people in the region themselves in the spirit of reconciliation and through peaceful negotiations without foreign interference.

The developed nations should extend their impartial assistance to all countries victimized by the Gulf war on the principle of mutual benefit. It is imperative to convene an international peace conference on the Middle East to resolve all the pressing issues in the region including the Palestinian problem.

Hanoi Radio Reports Disciplining of Bui Tin

BK1203114691 Hanoi Domestic Service in Vietnamese 1100 GMT 12 Mar 91

[Text] Bui Tin, alias Thanh Tin, former deputy editor-in-chief of NHAN DAN, was sent on temporary duty to France in September 1990. In France, Bui Tin has engaged and is engaging in activities and making statements over the air and in the media of foreign countries which betray the party.

After examining reports and recommendations by the party chapter of the Sunday edition of NHAN DAN, the party committee and editorial staff of NHAN DAN and editorial staff and responsible authorities at all echelons have decided to discipline Bui Tin by removing him from the position of NHAN DAN deputy editor-in-chief and expelling him from the party.

Nguyen Van Linh at NHAN DAN Anniversary

BK1203094891 Hanoi VNA in English 0715 GMT 12 Mar 91

[Text] Hanoi VNA March 12—Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, at a meeting here yesterday with the staff of the daily NHAN DAN, central organ of the party, on the 40th founding anniversary of the paper, pointed to the present tasks of the Vietnamese press.

He said: "The task of the press is not only to popularize the views, ideas, orientations and politices of the party and the state but also to reflect the aspirations of the people of all strata and the effective ways and methods of work in various localities and units.

"...As a popular forum, the press should honestly reflect the aspirations of the people of all walks of life and their opinions. On the other hand, it must be borne in mind that the difference of opinions among the people comes from the difference of interests and mentalities.

"The press should constantly listen to these different opinions and encourage discussions to find out the truth. At the same time, it should help its readers in their thinking to differentiate between right and wrong. It should not let confusion and loss of bearings happen on the ideological front."

Nguyen Van Linh continued:

"The press should inform its readers of what have been done and what still has to be done, of achievements and failures. It should commend and criticize. Painting a rosy or gloomy picture of life are both an act of dishonesty toward the readers. President Ho Chi Minh once asked journalists to write about both the good and bad things and in criticism they must be 'honest, just and impartial.'

"...Information along to a given direction is not contrary to the people's right to information. [sentence as recieved] Our papers and journalists have a very big social responsibility for the formation of wholesome public opinion in support of the country's renovation cause, and for the fostering of a new type of persons."

"The party paper and the press system as a whole must constantly renew so as to become more attractive, more interesting and more useful to the readers, listeners and viewers," Nguyen Van Linh stressed.

Nguyen Van Linh Say Press 'Ideological Arm'

BK1203101891 Hong Kong AFP in English 1007 GMT 12 Mar 91

[Text] Ho Chi Minh City, Vietnam, March 12 (AFP)—The Vietnamese press should be "an ideological arm" of the ruling Communist Party, its Secretary-General Nguyen Van Linh said.

"The press should obey the leadership of the party...because it is an active instrument of the Vietnamese Communist Party, an ideological arm," Mr. Linh said monday, the 40th anniversary of the official daily NHAN DAN.

The statements came as noted journalist Nguyen Khac Vien called for democratic reforms in Vietnam in a petition published before the party congress is to meet in June.

According to various Vietnamese sources, several intellectuals are becoming critical of the party and demanding democratic reforms at the congress, where the party's policies are formulated and highest decisions made.

Party officials have affirmed their intention to continue the socialist path in Vietnam and have condemned democratic changes sweeping the socialist countries of Eastern Europe.

Mr. Linh said the press could be critical on the condition that it was in an "honest, legitimate and just" manner.

"The press must provide sincere information that reflects both the good and the bad, but it must act according to the law," he said.

There is no independent press in Vietnam, where all media including radio and television, are controlled by party officials.

Nguyen Van Linh Receives NHAN DAN Staff

BK1203104891 Hanoi International Service in English 1000 GMT 11 Mar 91

[Text] Vietnamese Party Leader Nguyen Van Linh received in Hanoi the editors of the newspaper NHAN DAN on the occasion of its 40th founding anniversary.

At the reception, the paper's editor-in-chief, Mr. Ha Dang, informed the party leader of the orientations to upgrade the contents and presentation of the daily.

The first edition of NHAN DAN was issued in Viet Bac resistance base on 11 March 1951. Over the past 40 years, the daily has made great contributions to the Vietnamese Revolution in general and to the cause of journalism of the Communist Party of Vietnam in particular.

The Vietnamese party and state highly appreciate the paper's contributions.

Army Paper Criticizes Congresses in Localities

BK1103160991 Hanoi Domestic Service in Vietnamese 1000 GMT 11 Mar 91

[From the daily press review program]

[Text] In preparation for the Seventh Communist Party of Vietnam [CPV] Congress, during the past period many basic party organizations in localities conducted their first round of congresses. In this connection, a frontpage QUAN DOI NHAN DAN article asserts that while basic party organization congresses in localities were carried out seriously and satisfactorily, and delegates expressed many concrete ideas, only the aged and retired party members presented their viewpoints. Young party members contributed few ideas.

Most of the delegates attending the congresses expressed their concern about measures to overcome difficulties in the socioeconomic situation in order to effectively maintain political security.

Several congresses have integrated their ideas and effectively conducted discussions on key issues. At congresses organized by the Dien Bien Ward, the military science department, and the CPV Central Committee Organization Department, discussions were conducted in a lively manner. One-third to two-thirds of the delegates to congressses expressed their ideas. Some basic party organization congresses, however, were held for the sake of formality, reasoning that discussions were carefully made at the party chapter congresses already and as a result, they completed discussions and the election of delegations to the higher levels in one single session. Some localities belittled the first round of party organization congresses, thus appointing incompetent congress presidiums and secretariats, thereby causing confusion in discussions and in taking notes and integrating ideas of party members and delegates. As a result, some failed to produce minutes of the congresses and file reports on their discussions.

General Nam Ho on Party Draft Documents

BK0803154791 Hanoi QUAN DOI NHAN DAN in Vietnamese 25 Jan 91 pp 1,4

[Article by Major General Nam Ho entitled: "Correctly Define the Role of National Defense Based on the Current International and National Situations"; from the "Contributing Views to the Draft Documents of the Seventh Party Congress" Column]

[Text] The "Draft Platform on Socialist Construction in the Transition Period" was made public at the very moment when the international situation has become extremely complicated, our country has not yet overcome a socioeconomic crisis, and our people have ardently hoped for a better future, thus helping consolidate the path that our party and people have resolutely pursued. The introduction of the platform this time is proof of our party's very high sense of responsibility toward history and the fate of our nation. The draft platform has been meticulously compiled and many of the issues raised have correctly reflected real life situations.

I would like to contribute some practical ideas about national defense as follows:

1. Define Very Clearly the Army's Construction and Combat Missions

The international and regional situations are developing in a complex manner, the contradictions between socialism and capitalism are becoming more and more acute, and the class and national struggles remain very fierce and intense. Our country is regarded by many hostile and reactionary forces as their main target. The enemies have not given up their objective to undermine our revolution through numerous pernicious and perfidious means, including the use of military force if conditions permit. The problem is how to develop our national defense potential and build our army in order to effectively cope with the situation and score victories even under the worst circumstances.

The targets of our army are the warmongering imperialist forces and reactionary forces having good organization and modern equipment and capable of achieving large-scale combat coordination among the various armed services and armed branches. As far as our country is concerned, generally speaking, due to the poor development of our national defense industry, our army is provided with a very limited supply of modern war means and technical equipment. Therefore, it is necessary to work out correct and rational measures for organizing, building, and equipping our army as well as for improving its fighting methods.

To secure conditions for our army, which plays a key role in national defense, to successfully fulfill its mission and stand ready to defeat an enemy having good organization and modern equipment, we have no choice but to continue to turn our army into a regular and modern revolutionary military organization capable of achieving close combat coordination among the various armed services and armed branches in accordance with the actual conditions in our country. As far as the platform is concerned, it is necessary to pay due attention to this urgent and important issue and to set the guiding principles for the army's construction and combat missions in the new situation.

2. It Is Necessary to Make Very Great Efforts to Improve the Potential of the National Defense Industry and to Guarantee Self-Supply of Modern War Means and Technical Equipment for the Army Step by Step

The draft platform has raised the issue of combining economics with national defense and vice versa and also the need to build and develop the national defense industry in order to provide the Armed Forces with increasingly better quality equipment. Although this is a proper issue, it is still incomplete and unclear. As we all know, our economy is still very poor, our national defense industry still remains very weak, and the assistance provided by our friends is not as generous as it was before. In the meantime, the need for a modern and regular army remains unchanged. This situation requires us to make a very great and very urgent effort to improve our national defense potential and to meet our army's combat requirements in the new situation. This great difficulty is beyond our army's capabilities. It is necessary to understand that this is a common responsibility for all army units, state agencies, scientific-technical research organs, and the entire society. Based on this requirement and sense of common responsibility, it is necessary to thoroughly explore ways to combine economy with national defense and to work out clear-cut orientations and concrete measures for meeting the immediate and long-term construction and combat requirements set for the Armed Forces in general and the army in particular.

3. Closely Combine Security With National Defense and Vice Versa.

According to the draft platform, "the transition to socialism in our country is a long and complicated process. Hostile forces are constantly seeking to undermine our country through numerous cunning and malicious maneuvers, trying to create opposition forces to foment instability in our society. Safeguarding national security is one of the most importants tasks of our state and people."

In my opinion, the way to raise the issue does not correctly reflect the situation now as well as in the future.

The class struggle remains very fierce and complicated both at home and abroad. We must always discern the enemy's true colors and must heighten vigilance. Also, we must correctly assess the enemy's potential and work out correct national defense and security measures, bearing in mind the need to closely combine security with national defense and vice versa.

We unanimously agree with the fact that our party is strong, our army is powerful and loyal to the party and socialism, and our people on the whole faithfully follow and join hands with the party in socialist construction.

The situation in our country is completely different from that of many other socialist countries. With such strong solidarity and singlemindedness in our party, army and people, no matter how cruel and insidious may be the plots of reactionaries inside our country, they will not be able nor sufficiently strong to destabilize our society, nor can they overthrow our revolutionary administration. They can only carry their adventures when they are directly supported by and coordinated with outside imperialist and reactionary forces. This is a characteristic of our inherent strength that has compelled the enemy to take such a course. As a result, the concept of national security should be understood in a broader sense that encompasses national defense, fighting against foreign aggressors and maintenance of security, and order and social safety. This characteristic requires a close combination of national defense with security and vice versa. These are two extremely important tasks of our people and state.

4. All of Society Should Heed and Enhance the Combat Effectiveness of Regular and Reserve Mobilization Forces.

Due to the requirements of the general situation, the staff of the regular force should be reduced. This is a correct and necessary decision. Our country's National Assembly recently promulgated a by-law on military obligations in which the time of compulsory military service is reduced to two years (previously 3 years). As the peacetime number of regular forces' personnel strength should be reduced to the appropriate ratio, the fundamental mission of the regular force is to constantly maintain its combat readiness, and in case of war to warrant sufficient time for the country to prepare a shift from peace to war time. To fulfill this requirement, the quality of troops must be enhanced under the condition of only 2 years of compulsory military service. This is a problem because our troops will not have experience. To satisfactorily discharge this task, our troops should study measures to truly reform training and set forth necessary requirements of youths before they join the army to accomplish their military service.

What cannot be belittled is how we must tackle the organization, development, management and training isues to improve the quality of the reserve mobilization force because it is the main decisive force in achieving victory, should war ever occur. As we all know that the reserve mobilization is very large and is omnipresent in all localities and sectors, a decision to mobilize it depends on the circumstances of war. Our state and army has not had much experience in this matter. Although we have already implemented this task step by step, there are still many problems to be continually studied so that an appropriate way of doing it can be adopted. In general, knowledge of this task is still inadequate, management of this force is still loose, and the responsibility of the army and state agencies has not been determined specifically. In the party platform this responsibility should be added and determined clearly since this is a common responsibility. It is the responsibility not only of the army, but also of all sectors, the state, and the entire society.

Party Organization Congresses Completed in Hanoi

BK1103152391 Hanoi Domestic Service in Vietnamese 1000 GMT 11 Mar 91

[From the daily press review program]

[Text] On the frontpage of the paper HANOI MOI today is an article on the recent party organization congresses at Dong Anh District and Nguyen Du subward in Hanoi.

The article says: To date, 90-95 percent of basic party organizations in Hanoi have completed their first round of congresses. Dong Anh, Ba Dinh, Thanh Tri, Dan Phuong, and Phuc Tho districts, the capital police force, and the Thang Long bridge enterprises union have completed their basic party organization congresses.

At these congresses, delegates debated in a democratic, frank, and serious manner and with a sense of responsibility to contribute ideas to the five draft documents of the party, thereby contributing to the success of the upcoming Seventh Communist Party of Vietnam [CPV] Congress.

The Dong Anh District party organization congress suggested that while satisfactorily drafting the Seventh CPV Congress' agenda, it is necessary to elect competent comrades to the congress presidium who can manage and direct the congress to make its compact and successful.

At the Nguyen Du subward party organization congress, delegates expressed an identity of views on the party platform on socialist construction and suggested that it should be supplemented to suit the real situation in our country. Many delegates contributed concrete ideas to the draft strategy of socioeconomic development and stabilization, especially the parts dealing with economic targets, the market mechanism, employment, and the daily life of cadres, workers, retirees, and the people.

Funeral Service for Ex-Culture Minister Held

BK1103080591 Hanoi Domestic Service in Vietnamese 1430 GMT 8 Maer 91

[Summary] "On 7 and 8 March 1991, a funeral service was solemnly held in the conference hall of Ho Chi Minh City for Comrade Nguyen Van Hieu, former Culture Minister of the SRV, member of the Vietnam Fatherland Front [VFF] Central Committee and Chairman of the Vietnam-France Friendship Association." Some 230 Vietnamese and foreign delegations from provinces and in the city paid tribute to Comrade Nguyen Van Hieu.

"On behalf of the party Central Committee and the Council of Ministers, Comrades Vo Van Kiet, Dong Sy Nguyen, and Vo Nguyen Giap came to lay a wreath of flowers and pay last tribute to Comrade Nguyen Van Hieu. Comrades Vo Chi Cong, State Council chairman; Le Quang Dao, National Assembly chairman; Nguyen Huu Tho, chairman of the VFF Central Committee Presidium; and Pham Van Dong, advisor to the party Central Committee sent a message and a wreath of flowers in tribute to the deceased."

The funeral service for Comrade Nguyen Van Hieu started at 0730 on 8 March 1991 and was attended by Comrades Vo Van Kiet, Tran Hoan, Vo Tran Chi, representatives from agencies, sectors, mass organizations and armed forces units in the city and from provinces together with late comrade Nguyen Van Hieu's relatives.

Comrade Tran Hoan, Culture, Information, Sport and Tourism Minister, delivered a funeral oration pointing out the merits and contributions of late Comrade Nguyen Van Hieu throughout his lifetime. Comrade Nguyen Van Hieu was then cremated.

A solemn funeral service was also held this morning in Hanoi by the Culture, Information, Sport and Tourism Ministry, and was attended by "Comrades Nguyen Duc Tam, Dao Duy Tung, Le Quang Dao, Nguyen Huu Tho, and representatives of committees, sectors and mass organizations at the central level, in Hanoi and from many localities countrywide. French Ambassdor to our country Blanchemaison also attended the service and laid a wreath of flowers in tribute to Comrade Nguyen Van Hieu."

Agriculture Minister Inspects Infested Crops

BK1103154991 Hanoi Domestic Service in Vietnamese 1100 GMT 10 Mar 91

[Text] For two days from 5 to 6 March 1991, the minister of agriculture and food industry inspected the efforts to fight the brown planthopper infestation in the provinces of Long An, Dong Thap, An Giang, Hau Giang, and the localities, with the winter- spring rice crop badly affected by the insect in the Mekong River Delta.

The minister reminded the Agriculture Section and the Plant Cultivation and Protection Section to prepare insecticide and teach peasants insecticide techniques so they can wisely use insecticide to achieve the best results. He also reminded these sections to avoid creating false shortages of insecticide and to have a subsidy policy for poor peasants by selling insecticide on credit to them.

The Plant Cultivation and Protection Section and the Vietnam Insecticide Company just received a new load of insecticide and they will continue supplying the locals to fight brown planthoppers in the second phase.

Do Muoi Receives World Bank Group Director

BK0903075891 Hanoi VNA in English 0703 GMT 9 Mar 91

[Text] Hanoi VNA March 9—Chairman of the Council of Ministers Do Muoi on Thursday received Vibul Aunsnunta, executive Director of the Southeast Asian Group at the world bank, during the latter's working visit to Vietnam.

Mr Vibul Aunsnunta was here to acquaint himself with the economic situation of Vietnam and, together with Vietnamese officials, define the World Bank's credit projects for Vietnam.

During the reception, he informed Chairman Do Muoi of the results of his working sessions with the Vietnam state bank governor, the state planning commission, the state commission for cooperation and investment, and the ministry of finance aimed at improving the relations between the World Bank and Vietnam.

Chairman Do Muoi said he hoped that the executive director's visit would mark a new step of development in the relations between Vietnam and the World Bank, thus creating conditions for the World Bank's financial assistance to Vietnam.

Social Science Institute Delegation in USSR

BK0803112091 Hanoi VNA in English 0708 GMT 8 Mar 91

[Text] Hanoi VNA March 8—A delegation of the Institute of Social Siences led by its Director Dang Xuan Ky paid a working visit to the Soviet Union from February 27 to March 6.

The delegation conferred with V.N. Kudryavtsev, vice president in charge of social sciences of the Academy of

Sciences of the USSR, and the Soviet Social Sciences Consultative Council on the implementation of the 1991-1995 Scientific Cooperation Plan between the two countries.

G.I. Marchuk, president of the USSR Academy of Sciences, exchanged views with the delegation on issues related to social science development at present. The two sides signed a document confirming their determination to strengthen bilateral scientific cooperation in the new situation for common interests.

CIDSE To Operate for Two More Years

BK0903154091 Hanoi VNA in English 1442 GMT 9 Mar 91

[Text] Hanoi VNA March 9 - The Vietnamese government and the Organization of International Cooperation for Development and Solidarity (CIDSE) yesterday signed a document here, under which the CIDSE representative office in Hanoi will continue to operate for two more years.

This is aimed at further promoting the friendly and cooperative relations between Vietnam and CIDSE.

Australia

Hawke Announces 'Historic' Economic Reforms

BK1203083491 Hong Kong AFP in English 0655 GMT 12 Mar 91

[By Jack Taylor]

[Text] Canberra, March 12 (AFP)—Tariffs walls which protected Australia's manufacturing industry forcing up prices for almost a century are to be largely dismantled under historic reforms announced by Prime Minister Bob Hawke on Tuesday.

He promised prices would fall over the decade—by up to 3,000 dollars (2,300 dollars U.S.) in the case of a 20,000 dollar (15,000 U.S.) car—but he made clear employment would also be hit in the most protected areas.

In place of protection will come new incentives for export industries, along with retraining and relocation programs for displaced workers in industries such as clothing, footwear and car manufacture.

Everyone had to realise that "this tough, increasingly competitive world of 5.5 billion people does not owe, and will not give, 17 million Australians an easy prosperity.

"The days of our being able to hitch a free ride in a world clamouring, and prepared to pay high prices, for our rural and mineral products, are behind us."

Mr. Hawke's eagerly-awaited statement, "building a competitive Australia," is the Labor government's long-term prescription for a crippled manufacturing industry and, it hopes, the key to Labor's survival.

It also confirmed controversial "resource security legislation" which has already enraged conservationists.

The legislation guarantees the forestry industry access to timber for projects worth more than 100 million dollars (76 million U.S. dollars).

Protection of native forest was fundamental to Labor's approach, Mr. Hawke said. "But we recognise that—in part due to this commitment—there has been a contraction of the forest resource allocated to existing operations in the industry."

Among other key measures of the package, Mr. Hawke announced what he described as the "most comprehensive sweep of microeconomic reform this country has ever seen".

It would mean, for instance, cutting waterfront labour by 1,500 jobs and improving productivity by 60 or 70 per cent.

Preferential tariff arrangements for Singapore, Taiwan, Hong Kong and the Republic of Korea would be phased out by July 1, 1992.

Mr. Hawke said the scope of national consumer protection laws would be extended with potential benefits such as lower professional fees, cheaper rail fares and cheaper electricity.

He acknowledged the recession was worse than had been expected, had hurt many people and cost many jobs, but he warned still higher unemployment was likely in the coming months.

The best estimate was that Australia would emerge from recession in the second half of this year, he said.

However, the statement was about longer term structural change rather than "short term palliatives".

The real challenge was to ensure when it did emerge it would be equipped to take up the opportunities for sustained growth.

Economic recovery could be secured through low inflation and lower interest rates "in an increasingly competitive and productive economy."

Australia's inflation rate "of 6.9 per cent and just 5.4 per cent in underlying terms" was below the OECD (Organisation for Economic Co-Operation and Development) average of 7.2 per cent.

"A continued lowering of inflation is, without doubt, the major contribution this government can make to the climate for investment in the 1990's," Mr. Hawke said.

Further tariff cuts were the most powerful spur to greater competitiveness.

Tariff protection had meant "inefficient industries that could not compete overseas" along with higher prices and costs for consumers and efficient primary producers.

His statement said the general level of tariff protection would be reduced from 10 and 15 per cent in 1992 to an across the board rate of five per cent by 1996.

Tariffs on cars would be phased down from 35 per cent in 1992 in annual 2.5 per cent steps to 15 per cent in the year 2,000.

To minimise the impact on car manufacturers, a scheme which provides export incentives to companies to export will be expanded and made more flexible.

The government will abolish its controversial 50 per cent tax on luxury cars, reverting to 30 per cent margin.

Tariff reductions on textiles, clothing and footwear would be accelerated so the maximum tariff would be 25 per cent by 2,000, with the ending of quotas advanced two years to March 1, 1993.

Hawke's Industrial Policy Statement Viewed

BK1203102991 Melbourne Overseas Service in English 0803 GMT 12 Mar 91

[From the "International Report" program]

[Text] [Begin Hawke recording] The challenge for the forseeable future is to produce more than we spend. The rest of the world will not allow us to continue indefinitely to live beyond our means by borrowing from them. Our rural and mineral products will remain important into the future, but the challenge is to add to them. That is, we must export more manufactured goods and services and substitute more quality Australian production for imports. [end recording]

Australia's prime minister, Bob Hawke, delivering his much-heralded industry policy statement: Building a Competitive Australia. As expected, it calls for substantial cuts in protection for Australian manufacturers to try to make them more efficient and export-oriented through exposure to foreign competition.

The Government would also give timber companies guaranteed access to major forests for large-scale value added projects. But Mr. Hawke says the government intends to direct the logging industry away from native forests to plantations by the turn of the century. And as our national affairs correspondent, Tony Hastings, reports the prime minister says Australian industry should look more to the Asian-Pacific region.

[Begin recording] [Hastings] Earlier in his address to Parliament the prime minister admitted that the recession has been worse than expected and unemployment will continue to rise but he said the time has come to ask how Australia can emerge from the recession best equipped for sustained growth. One of the key answers to that question he said was to force Australian industry to become more competitive and export-oriented by slashing import tariffs.

[Hawke] Mr. Speaker, this government will continue to open up the manufacturing sector and Australian industry generally through lower protection. And I announce, the general level of assistance will be reduced from 10 percent and 15 percent in 1992 to a general rate of 5 percent by 1996. Tariffs on passenger motor vehicles will be priced down from 35 percent in 1992—in annual steps of 2.5 percent—to 15 percent in the year 2000. This change can be expected to result in an average real reduction of $2,000 to $3,000 in the price of a $20,000 car in today's dollars over the next decade.

[Hastings] This might seem like harsh medicine, but in return exporters will receive tax breaks which will cost the government $375 million in revenue, but will save industry an estimated $700 million in cost. The prime minister said he realized that reducing protection for Australian industry would mean heavy job losses, especially in the car and textile industries.

So, $90 million has been set aside to assist displaced workers to relocate and retrain. While an extra $150 million will be spent on various training schemes over the next couple of years to help Australia become the [word indistinct] country. Mr. Hawke said the government had decided to reject the arguments of the so-called new protectionists and instead to follow the advice of Dr. Ross Conners report Australia and the Northeast Asian Ascendancy, which argues that Australia must compete with the dynamic economies of the Asia-Pacific region. In line with that, the government will fund a new program of fellowships so Australian business people can get direct working experience in the Asia-Pacific region, and the government export promotion organization, AUSTRADE, will also refocus its efforts on the region.

Another key element in Mr. Hawke's statement was macroeconomic reform. To make the transport, waterfront, and coastal shipping sectors more efficient, which will in turn make Australian exports cheaper. As an example of reform, Mr. Hawke announced a series of what he called breakthrough agreements which will make Australia's notoriously inefficient waterfront more competitive.

[Hawke] By year's end, Mr. Speaker, the national waterfront labor force will have been cut by over 1,500 [sounds of disapproval]—in anyone's language, a major gain in efficiency. In all, the agreement provides for productivity gains for up to 60 percent in smaller ports, and in grain handling, 70 percent. What appears, Mr. Speaker, is an ambitious program when we commence these reforms, now proceeding on schedule and without major industrial dispute. [cheers]

[Hastings] In a controversial subject of resource security, setting aside areas of major forests for the timber industry—an idea which has the conservation movement up in arms—Mr. Hawke said he had to balance the competing interests of development and the environment.

[Hawke] Accordingly, the government has decided to provide resource security for major new wood processing projects. Where the project involves a capital intensive value adding investment of $100 million or more, and if directed to export or to import replacement, there will also be provisions in the legislation to establish plantations, to provide for long-term timber supply. The objective is to phase out wood chip exports by the year 2000 or soon after and replace them with value added products. This new emphasis on plantations will also over time take pressure off our native forests.

[Hastings] The move to plantations is clearly aimed at (?winning over) the support of the conservation movement which played such a key role in the Hawke government's electoral victory last year. But the conservationists presently have a very low level of trust in the government, so, Mr. Hawke will have to do a lot of talking to convince them that the move to plantation logging will really happen. [end recording]

Minister Warns Against Hope For Quick Recovery

BK1003071491 Melbourne Overseas Service in English 0500 GMT 10 Mar 91

[Text] The federal industry minister, Senator John Button, has cautioned people against expecting the economy to make a quick recovery. He says Australia's dependence on world commodity prices will result in changing fortunes in different sectors of the economy, making it possible for the country to move in and out of recession for some time.

Senator Button, interviewed on television, also repeated a warning against expecting a quick (?fix) in Tuesday's [12 March] economic statement by the prime minister, Mr. Hawke. But he said he was more optimistic than he had been a few months ago, adding that industries seem to be planning to get out of recession.

The statement, Senator Button said, was aimed at setting a more competitive economic environment for the 1990's.

Fiji

Ministry Hopes To Find Garment Markets in U.S.

BK1003080491 Hong Kong AFP in English 0729 GMT 10 Mar 91

[Text] Suva, March 10 (AFP)—Fiji hopes to find new markets in the United States for its garment exports as it loses preferential access to Australia, the Commerce Ministry said Sunday.

Trade and Commerce Minister Berenado Vunibobo said in a statement that Fiji would sign a bilateral agreement with Washington establishing it "as a responsible participant in international garments trade."

Last month, Australia announced that it would cut imports from this country to re-allocate quotas to other states covered by the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA).

Australia absorbs about 45 per cent of Fiji's garment exports, followed by New Zealand and the United States, which last year took 15 per cent.

"As the benefits under SPARTECA agreement diminish, Fiji will no longer be able to rely on the preferential access into the Australian and New Zealand markets," Mr. Vunibobo said.

SPARTECA grants the 13 island states in the South Pacific forum preferential access for selected manufactures into the forum's two other members, Australia and New Zealand.

Garments have been the fastest growing manufacturing business here since the government introduced a tax-free zone scheme in 1988 to revive the economy after the army coups of 1987.

Exports rose from 8.8 million Fijian dollars (6.3 million U.S.) in 1987 to 159.4 million dollars (114.5 million U.S.) last year, when garments displaced gold as Fiji's third largest export earner. The Fijian dollar was devalued in a bid to boost trade after the 1987 coups.

Mr. Vunibobo also urged manufacturers to tap into new markets in Europe, where Fiji could sell under the preferential Lome Convention.

"Whether we like it or not, whether we are near or far from Europe, the European market is going to be a dominant player in the world of commerce," he said.

Australian Court To Rule on Miner's Strike

BK1103082691 Melbourne Overseas Service in English 0500 GMT 11 Mar 91

[Text] A 2-week strike by mine workers in Fiji's only gold mine at Vatukoula over salary and conditions has moved into the legal arena with court action instituted by the Australian owners, Emperor Gold Mines. Following an application by the company, the Lautoka High Court has issued a court order barring four mine workers from entering the mine area or interfering with the company operations. The order to be reviewed on Wednesday [13 March] by Justice Mr. Michael Saunders stops the four [word indistinct] agents from interfering in the company's operations at the mines.

Meanwhile, the Fiji Mine Workers Union refuted the company's claims that more than 800 men out of a total workforce of about 1,200 are still at their jobs. The union maintains that the majority of the men are on strike, and the company's claim was designed to misinform the public and confuse the men.

New Zealand

Finance Minister Says Budget Deficit Doubles

BK1203050491 Hong Kong AFP in English 0344 GMT 12 Mar 91

[Text] Wellington, March 12 (AFP)—New Zealand's budget deficit for the current fiscal year has ballooned to 1.4 billion New Zealand dollars (837 million U.S.), more than twice the amount projected three months ago, Finance Minister Ruth Richardson said Tuesday.

The news shocked money markets and sent interest rates soaring.

Miss Richardson told a news conference that her December projection of a 691 million-dollar (413 million U.S.) deficit for the year to June 31 would not be met due to a shortfall of more than 200 million dollars (119 million U.S.) in tax revenue.

The increase in welfare payments to the unemployed was also more than projected, she said.

Miss Richardson blamed development on the former Labour government that left office in October, saying deficit chickens were now "coming home to roost."

She announced an amended domestic borrowing programme to cover the remainder of 1990-91, with a bond tender programme of 1.4 billion dollars rather than the 650 million dollars (388 million U.S.) remaining from the previously announced programe.

Miss Richardson would not be drawn on projections for next year's deficit, saying economic factors contributing to the worsening outlook this fiscal year would make the starting point higher for 1991-92.

She ruled out any tax increase, however, despite a statement Monday by Prime Minister Jim Bolger that this was always an option, although not one currently under consideration.

Miss Richardson was categorical: "Tax hikes are not on our agenda," she said.

Following the announcement, the benchmark February 1995 government bond rate shot up 20 points to around 11.58 per cent, but the New Zealand dollar showed no sign of reacting to the blowout, trading steadily at around 59.8 U.S. cents.

The New Zealand share market fell slightly, but trading volume was light and lower prices reflected the trend on overseas markets, analysts said.